



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

Daily Report

East Asia

**FBIS-EAS-94-193
Wednesday
5 October 1994**

This report contains information which is or may be copyrighted in a number of countries. Therefore, copying and/or further dissemination of the report is expressly prohibited without obtaining the permission of the copyright owner(s).

Daily Report

East Asia

FBIS-EAS-94-193

CONTENTS

5 October 1994

NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

Cairns Group Concerned at U.S. Farm Subsidies [THE NATION 4 Oct]	1
APEC Leaders To Seek Deadline for Free Trade [KYODO]	1
ASEAN Foreign Ministers Agree on UN Restructure [Bangkok Radio]	2
Telecommunication Meeting Calls for Deregulation [KYODO]	2
Universal Postal Union Congress Concludes [YONHAP]	3

NORTHEAST ASIA

Japan

Kono Stresses 'Sound Relations' With U.S. [KYODO]	4
Kantor Cites Possible Terms for Glass, Insurance [YOMIURI SHIMBUN 4 Oct]	4
Kuriyama Hints at Possible Dispute Over Accord [KYODO]	4
Tokyo Not To Resume Auto Talks 'Within Year' [KYODO]	5
NTT President Satisfied With Trade Agreement [KYODO]	5
Fear of Dollar Drop 'Softened' U.S. Stand [YOMIURI SHIMBUN 4 Oct]	5
Expert Questions Outcome of Framework Talks [NIHON KEIZAI SHIMBUN 2 Oct]	6
Effects of Framework Talks Accord Assessed [NIHON KEIZAI SHIMBUN 4 Oct]	7
Editorial Views Outcome of Framework Talks [ASAHI SHIMBUN 3 Oct]	8
NTT Prepared To Participate in PHS Project [KYODO]	9
Beijing Symposium To Focus on Chinese 'Family Car' [KYODO]	9
Oil Firms Enter Chinese Lubricating Oil Market [NIKKEI SANGYO SHIMBUN 27 Sep]	10
Tokyo, Seoul in Memory Chip Investment War [NIHON KEIZAI SHIMBUN 27 Sep]	11
Government 'Incompetent' in Foreign Affairs [YOMIURI SHIMBUN 4 Oct]	12
Murayama's Close Political Advisers Discussed [SANKEI SHIMBUN 3 Oct]	13
SDPJ's Yamahana Interviewed on Politics, Policy [NIHON KEIZAI SHIMBUN 2 Oct]	14
SDPJ's Kubo Urges New Party To Counter Opposition [KYODO]	15
New Rengo Chairman Ashida Interviewed [MAINICHI SHIMBUN 2 Oct]	15
* Political Moves of Ozawa, Murayama Analyzed [VOICE Sep]	16
Editorial Urges Coordination on World Economy [ASAHI SHIMBUN 27 Sep]	23

North Korea

South's Remarks on Team Spirit Exercise Viewed [KCNA]	24
ROK Replaces Ministers Due to 'Ruined Economy' [Pyongyang Radio]	24
CPRF Criticizes Kim Yong-sam's Army Day Speech [Pyongyang Radio]	25
KCNA Version of Statement	26
South Urged To Allow Attendees at Tomb Ceremony [KCNA]	27
Overseas Koreans Criticize ROK [KCNA]	27
Statements Distributed as UNSC Document [KCNA]	28
Jiang Zemin Greets Kim Chong-il on Anniversary [Pyongyang Radio]	28
KCNA Version of 5 Oct Message	29
Kim Chong-il Sends Message to Jiang Zemin [Pyongyang Radio]	29
KCNA Version of Greetings Message	30
Japan's PKO Denounced as 'Overseas Expansion' [Pyongyang Radio]	30

Workers' Party Hosts Reception for Russians [KCNA]	31
Ugandan, Kazakh, Thai Delegations Arrive [KCNA]	32
Talks Held Between WPK, Ugandan Delegation [KCNA]	32
Thai Official Says DPRK Wants To Join ARF [THE NATION 5 Oct]	32
Daily Urges Increased Economic Efforts [NODONG SINMUN 30 Aug]	33
Essay Calls Kim Chong-il Our 'Only Destiny' [KCNA]	35
Daily Stresses 'Absolute Respect' for Leader [MINJU CHOSON 4 Sep]	35
Kim Chong-il's Role in Reuniting Families Viewed [Pyongyang Radio]	38
Fulfilling of Kim Il-song's Behests Urged [NODONG SINMUN 5 Sep]	39
Kim Il-song's Concern for Working Class Noted [KCNA]	41
Kim Il-song University 'Reliable Training' Center [KCNA]	42
Daily Stresses Party Members' Role in Unity [NODONG SINMUN 6 Sep]	42
Article Lauds Theory on Sociopolitical Life [NODONG SINMUN 1 Sep]	44
Pyongyang Film Festival Draws 'Capacity Crowds' [KCNA]	46
Minister Delivers Closing Address [KCNA]	46
Details of Prizes Awarded [KCNA]	47

South Korea

Han: North Faces UN Sanctions if Rods Replaced [YONHAP]	47
President Kim Interviewed on Reactors for DPRK [YONHAP]	48
DPRK Air Force Reportedly Increases Activities [YONHAP]	48
'Highly Placed Source' on Kim Il-song Rumors [YONHAP]	49
Hanchongnyon 'Contacts' Pro-North Group in Berlin [YONHAP]	49
North 'Reconciliation With Seoul' Emphasized [YONHAP]	49
Pro-North Organs' Development in U.S. Feared [Seoul Radio]	50
U.S. Lists Auto Industry as 'Area of Concern' [HANGUK ILBO 5 Oct]	50
U.S. Newspaper Distributor Sought for Swindling [YONHAP]	51
Czech Prime Minister Arrives in Seoul for Visit [YONHAP]	51
No-Visa Period for Japanese Visitors Extended [YONHAP]	51
GTCS Exports Increase in Sep Compared to 1993 [YONHAP]	51
Effect of Reshuffle on Economic Policy Viewed [THE KOREA TIMES 5 Oct]	52
No 'Drastic Changes' Seen in Economic Policies [THE KOREA TIMES 5 Oct]	53

SOUTHEAST ASIA

Brunei, Malaysia & Singapore

Malaysia

Minister Says EAEC No Threat to U.S. Interests [Kuala Lumpur International]	54
Police Officers To Serve UNPROFOR in Croatia [BERITA HARIAN 2 Oct]	54
* Bank Governor Announces New Banking Strategies [UTUSAN MALAYSIA 23 Aug]	54
* Paperless Financial Transactions Planned [UTUSAN MALAYSIA 25 Aug]	54
* Government Announces Special Help for Poorest [UTUSAN MALAYSIA 24 Aug]	55

Cambodia

Leaders Call for National Unity Among Parties [Phnom Penh Radio]	56
PGNUNS Cabinet Outlines Current Issues [Radio PGNUNS]	56

Indonesia

Murdiono Briefs Media on Suharto-Klaus Talks [Jakarta Radio]	58
Double Taxation Accord Signed [Jakarta Radio]	58
* Vice President Stresses National Unity [SUARA PEMBARUAN 18 Aug]	58

Laos

Provincial Agreement Signed With Thailand [Vientiane Radio]	59
Assembly Continues Debate on Bankruptcy Law [Vientiane Radio]	60

Philippines

Six Abu Sayyaf Rebels Arrested; Arms Seized	[PHILIPPINE DAILY INQUIRER 30 Sep]	60
Budget Posts P6.7 Billion Surplus in 8 Months	[BUSINESS WORLD 30 Sep]	61

Thailand

Commerce Minister Departs for APEC Meeting	[BANGKOK POST 5 Oct]	61
Phnom Penh Said Warned of Brewing Coup Plot	[THE NATION 5 Oct]	62
Surin Says Libya Needs Skilled Thai Workers	[Radio VOFA]	62
Cabinet Approves Building Bridge Link to Burma	[BANGKOK POST 5 Oct]	63
Insurance Firms With Foreign-Held Shares Identified	[SIAM POST 5 Oct]	63

Vietnam

Hanoi Reports Shipment of U.S. MIA Remains	[Hanoi International]	63
Nong Duc Manh Hails Broadcast Achievements	[Hanoi Radio]	63
Army Lt. General on National Defense Industry	[QUAN DOI NHAN DAN 15 Sep]	65
* Lawyer's Articles Discuss New Labor Code	[SAIGON GIAI PHONG 1-3 Aug]	67

AUSTRALASIA

Australia

Mining Firm Bids for Joint Venture With Cuba	[THE BULLETIN 4 Oct]	72
--	----------------------	----

Papua New Guinea

Prime Minister Optimistic Over Peace Settlement	[Melbourne International]	73
Kina To Be Floated To End Erosion of Reserves	[Melbourne International]	73

Cairns Group Concerned at U.S. Farm Subsidies

BK0410132194 Bangkok *THE NATION* in English
4 Oct 94 p B1,B2

[Report by Aphisak Thanasetthakon]

[FBIS Transcribed Text] Ambassadors of the Cairns Group of farm exporting countries in Washington DC, will submit a joint letter to US Trade Representative Mickey Kantor by January next year, urging the United States to commit itself to farm subsidy cuts in the upcoming farm bill to be debated by Congress in 1995.

The Cairns Group, in which Thailand is an active member, feared that the US might have to bow to domestic political pressure to back off from its earlier free trade commitment made at the Uruguay Round of multilateral trade negotiations by failing to follow the Gatt (General Agreement on Tariffs and Trade) demand calling for a cut in farm subsidies.

Petiphong Phungbun, secretary-general of the Office of Agricultural Economics, said the Cairns Group cited the November US Congress election, which the conservative Republican Party is expected to win, as a key factor.

Farmers accounted for healthy votes in the US election, and therefore, the politicians might be reluctant to drop them off the subsidy list.

According to Petiphong, officials from the Cairns countries expressed this concern to the US Agriculture Department's Patrick O'Brian last month, during a meeting in which the officials were briefed on the way to deliver the upcoming farm bill.

The Cairns Group expected that the US administration would decide to cut domestic farm subsidies in order to comply with its Uruguay Round commitment. However, the administration might have to retreat from its free trade position if the Republicans win a majority in the Congress.

The Cairns countries have asked their ambassadors in Washington to closely monitor the situation and urge the Clinton administration to ensure that the farm bill complies with Gatt.

According to preliminary information the bill will contain three major elements; a cut in domestic farm subsidies, a bigger budget for environmental and natural resource management and the setting up of new committees to oversee the farm industry.

Anticipating that the Republicans will win the November election, the Cairns Group will have to follow the US Congress move towards the implementation of the bill.

When Congress starts its next session in February, it is expected to set up ten committees relating to the bill. Petiphong said that four of them would have a direct impact on Thailand.

The committee on general commodities will design the commodity programme. The committee on international trade will consider the size of subsidies for farm exports. The committee on environment conservation will consider the programme under the "Agricultural Conservation Reserve Programme" and the committee on food safety will set the measures and regulations concerning sanitary standards.

For domestic subsidies, the US would have to cut subsidies to comply with Gatt. The cuts would not be substantial because they are based on subsidies from 1986-1988, when the budget for domestic farm subsidies was extremely high.

APEC Leaders To Seek Deadline for Free Trade

OW0410093294 Tokyo *KYODO* in English 0850 GMT
4 Oct 94

[FBIS Transcribed Text] Kuala Lumpur, Oct. 4 *KYODO*—Indonesian President Suharto has proposed that leaders of the Asia-Pacific Economic Cooperation (APEC) forum pledge to achieve free trade in the region by the year 2020 at their summit in Indonesia next month, an internal document obtained by *KYODO NEWS SERVICE* said.

"The community of Asia-Pacific economies aim to complete open and free trade in the Asia-Pacific in the year 2020," said an 11-paragraph discussion paper circulating among APEC governments.

Acknowledging that APEC encompasses a diversity of economic levels, it proposed a 2010 target year for developed economies within the grouping to fully liberalize and a 2020 deadline for developing economies.

The proposals in the paper are expected to be adopted by leaders of the 18 APEC member economies, including Chile which is joining APEC later this year, when they issue a statement after their second informal summit in Bogor near Jakarta on Nov. 15.

The paper, dated Sept. 10, was presented by Suharto's special assistant on APEC, Bintoro Yokroamidyoyo [name as received], to senior officials from APEC member economies during the third APEC senior officials' meeting in Yogyakarta last month.

Most of the proposals, including the 2020 target year for achieving free trade in the region, merely regurgitate a report of the Eminent Persons Group (EPG), the APEC advisory panel of the region's leading economists, which was assigned to map out a vision for APEC's future.

Observers say they expect a vague statement from the leaders on trade liberalization, a proposal that has aroused controversy among APEC member economies since it was first voiced in the EPG report released in August this year. But Indonesian President Suharto, this year's chairman and anxious to boost his image as a proponent of trade liberalization, is pushing for the 2020 target year to be put into the statement.

A vague statement on the deadline would be a relief to Japanese Government officials, who would have to bear the burden of substantiating the APEC liberalization process when Japan takes over as chairman at the end of the year.

While the United States has been lobbying strongly for liberalization, and Indonesia as this year's chairman has appeared supportive, many Asian economies, especially Malaysia, have criticized the idea.

Skeptics say the EPG report, which urged APEC members to liberalize on a largely reciprocal basis and extend APEC trade benefits to outsiders also by the reciprocal rule, smacks of trade discrimination and is inconsistent with the principles of the General Agreement on Tariffs and Trade (GATT).

The discussion paper, however, tried to make assurances that APEC economies will liberalize "without necessarily becoming a free market area."

It called for "sustained unilateral trade and investment liberalization (to the maximum extent possible)."

It also said the liberalization process will be "GATT-consistent and will be implemented through a complete nondiscriminatory basis among its member countries."

APEC, it said, will "extend the benefits of regional liberalization by a commitment to continue reducing its barriers to nonmember economies."

The discussion paper also urged APEC members to implement concrete programs to facilitate trade and investment, including harmonization of national product standards, mutual recognition of each other's standards, competition policies, antidumping policies and rules of origin.

It called on APEC members to adopt a concord on investment principles, and continue the dialogue and cooperation on financial and macroeconomic issues.

In addition, a regional dispute mediation service should also be set up to complement the World Trade Organization in resolving trade disputes.

In a bid to narrow the gap between the richer and poorer economies in APEC, the document also called for technical development cooperation, including human resource development, promoting small and medium-scale enterprises, developing economic infrastructures and transfer of technology.

It also urged the monitoring of regional trade arrangements such as the North American Free Trade Agreement and the ASEAN free trade area and a similar arrangement comprising Australia and New Zealand.

ASEAN Foreign Ministers Agree on UN Restructure

BK0410092394 Bangkok Radio Thailand Network in English 0000 GMT 4 Oct 94

[FBIS Transcribed Text] ASEAN foreign ministers agreed on the restructuring of the United Nations Security Council [UNSC] to balance the number of representatives from developed and developing countries. The issue of restructuring of the United Nations Security Council was raised for consideration at the recent meeting of ASEAN Foreign Ministers at the Grand Hyatt Hotel in New York. The meeting was aimed at formulating a common ASEAN stand on major issues including the restructuring of the United Nations Security Council, the situation in Myanmar [Burma] and Cambodia, and the admission of the Socialist Republic of Vietnam as an ASEAN full member.

The meeting agreed the assessment of the situation in Myanmar and Cambodia by Thai Foreign Minister Prasong Sunsi. ASEAN Foreign Ministers agreed on the policy to let the Cambodian Government solve its internal problems by political instead of military means.

Telecommunication Meeting Calls for Deregulation

OW3009135094 Tokyo KYODO in English 0915 GMT 30 Sep 94

[FBIS Transcribed Text] Tokyo, Sept. 30 KYODO—A panel of the world's major information industry associations ended an annual two-day meeting Friday [30 September] in Tokyo with a statement calling for deregulation in the industry.

The statement issued by the International Information Industry Congress (IIIC) points to the need for the private sector to play a key role in developing a sophisticated global information highway championed by U.S. Vice President Al Gore and known as the Global Information Infrastructure (GII).

The IIIC agreed that "the private sector and the competitive marketplace must be the driving force" of the GII, it says.

Also mentioned in the statement are:

- The networks and applications of the GII should be globally interoperable.
- Appropriate assurances of data security and privacy must exist.
- Assurances of consumer access must be defined in new and appropriate terms.
- Intellectual property must be accorded adequate protection.
- Open access to government-funded research, development and new application development.
- All tariff and nontariff barriers to trade and investment must be eliminated.

—Support should be provided for the GII in developing countries.

The IIIC was formed in 1982 to address common issues shared by the information industries around the world. The Tokyo meeting brought together 44 representatives of seven associations from six countries.

The seven associations are the Association of Manufacturers of Business and Data Processing Machines of Italy, the Computer and Business Equipment Manufacturers Association of the U.S., the European Association of Manufacturers of Business Equipment, the Federation of Electronic Industries of Britain, the Japan Electronic Industry Development Association, the German Association of Information Technology Industries, and the Brazilian Association of Information Systems and Office Equipment.

The group said it will hold next general meeting in the United States in 1996.

Universal Postal Union Congress Concludes

*SK1409052494 Seoul YONHAP in English 0447 GMT
14 Sep 94*

[FBIS Transcribed Text] Seoul, Sept. 14 (YONHAP)—The 21st Congress of the Universal Postal Union (UPU) closed here Wednesday [14 September] with a signing ceremony for the UPU revised treaty after adoption of

the "Seoul Postal Strategy" Tuesday. The Seoul congress, held at the Korea Exhibition Center (KOEX) in southern Seoul since Aug. 22, unanimously adopted the strategy at the last session of the general meeting as a management guideline for the 189 UPU member countries over the next five years.

The strategy, which comprises the results of a two-day discussion on general policy on Aug. 24-25, calls on member nations to establish a commercial approach to cope with customer demands amid the changing global postal market, with development of data communication as a substitute service for mail and penetration of private courier companies. It also urged quality improvement in postal service through such new technology as the EDI (electronic data interchange) system and better management techniques, independence of postal management and effective control of human resources through continuous training in new management methods.

During the 24-day Seoul congress attended by 1,930 people from 173 nations and 20 international organizations, the UPU was reorganized to meet the changing postal climate, a global postal computer network plan was approved and the terminal dues system for international mail improved. The congress also elected a new secretary-general and vice secretary-general, both with 5-year terms, accepted English as another official operating language in addition to French and adopted a unanimous resolution calling for postal exchanges between South and North Korea.

Japan**Kono Stresses 'Sound Relations' With U.S.***OW0510120194 Tokyo KYODO in English 1135 GMT
5 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 5 KYODO—Foreign Minister Yohei Kono on Wednesday stressed the importance of sound relations between Japan and the United States in shepherding the Asia-Pacific region into a brighter future.

"For prosperity and stability in the Asia-Pacific region, good Japan-U.S. relations are an indispensable factor," Kono said in a lecture.

While saying Tokyo and Washington share this notion, he called on the two countries to reaffirm their commitment to the region as two key regional partners and the importance of working out specific ways to broaden their cooperation there.

Kono, who doubles as deputy prime minister, also said the U.S. military presence in the region "is a basis of the advancement of Asia-Pacific countries."

Touching on the partial agreement in the protracted trade "framework" talks between Japan and the U.S., Kono said this will contribute to achieving closer bilateral cooperation in the Asia-Pacific region.

"To promote closer Japan-U.S. cooperation in the Asia-Pacific region, political leadership by both countries is imperative," he said. "I reaffirmed this important point with U.S. President Bill Clinton last month."

Kantor Cites Possible Terms for Glass, Insurance*OW0510132194 Tokyo YOMIURI SHIMBUN in
Japanese 4 Oct 94 Morning Edition p 1*

[By reporter Atsushi Kawai]

[FBIS Translated Text] New York, 3 Oct—A source connected with the U.S. Government negotiating team on the Japanese-U.S. framework trade talks disclosed on 3 October that in regard to the sheet glass sector over which an accord has been reached, U.S. Trade Representative Mickey Kantor has asked that Japanese firms make 30-40 percent of their purchases of sheet glass from new suppliers, including foreign suppliers. Specifics of the trade accord, such as the issue of objective criteria, are to be finalized over the next month. However, there remains the possibility that in future trade negotiations, the United States may demand setting "numerical targets," which Japan has rejected.

In trade negotiations over the sheet glass sector, among the agreed terms was that Japan would encourage the private sector to use more imported products. According to the U.S. source, Kantor expressed a strong desire concerning the following points, in addition to calling on Japanese firms to set targets regarding their purchases

from foreign suppliers: 1) that foreign suppliers would be selling \$400 million worth of products after the first year; and 2) that the Japanese Government would implement measures against the sheet glass industry in line with the Antimonopoly Act.

It is observed that such demands are aimed at increasing the shares of foreign products. However, Japanese negotiators claim that the U.S. Government did not make such specific demands during trade negotiations. They are complaining that the demands are "unrealistic and merely figures that the United States hopes to see."

Moreover, the U.S. source said that even regarding the insurance services sector, Kantor has cited specific figures saying: "(With this agreement), foreign insurance companies' incoming insurance premiums will increase to \$1 billion (approximately 100 billion yen) in two to three years." As a result, it can be expected that depending on how foreign insurance companies fare in the future, the insurance market may again serve to refuel trade friction between Japan and the United States.

Kuriyama Hints at Possible Dispute Over Accord*OW0510015494 Tokyo KYODO in English 0130 GMT
5 Oct 94*

[FBIS Transcribed Text] Washington, Oct. 4 KYODO—Japanese Ambassador to the United States Takakazu Kuriyama on Tuesday [4 October] held out the possibility of Tokyo and Washington disputing the interpretation of a trade deal agreed on last week.

"On the part of the United States, there is a doubt about whether it will meet expectations. On the other hand, Japan has not wiped out all worries that the figures will stand by themselves," Kuriyama told reporters.

Kuriyama was asked to comment on a bilateral trade agreement reached last week on three of the four areas taken up in the so-called "framework" trade talks, in which the two sides had been at odds over "objective criteria" sought by the U.S. to measure progress in foreign access to Japanese markets. The row over objective criteria led to collapse at the Japan-U.S. Summit in February as then Japanese Prime Minister Morihiro Hosokawa rejected the U.S. demand.

Asked whether the contentious framework talks left mutual distrust between the two countries, Kuriyama said the two sides agreed on the three areas because they shared the view that efforts are needed to overcome mutual lack of confidence.

Asked to comment on the repetition of trade disputes between the two countries, Kuriyama stressed the need for Japan to revamp its economic structure. "They will not be resolved unless Japan's current-account surplus and price differentials between Japan and abroad are addressed," he said.

Tokyo Not To Resume Auto Talks 'Within Year'

*OW0510111794 Tokyo KYODO in English 1021 GMT
5 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 5 KYODO—Japan is not willing to resume auto parts trade talks with the United States at least within the year, a senior Trade Ministry official said Wednesday [5 October].

"Tokyo has no intention at all to take an initiative in restarting the talks," the official from the Ministry of International Trade and Industry (MITI) said on condition of anonymity.

"Washington also appears reluctant to resume the talks within half a year or one year," the official said. "My impression is the talks may be suspended for one year."

After 15 months of negotiations, the two countries reached accords at the weekend in three areas of the "framework" talks for new bilateral trade ties—government procurement, insurance and flat [sheet] glass.

But no deal was cut on auto trade due to conflicting views on foreign access to Japan's auto repair market. As a result, Washington decided to launch a section 301 probe into the trade area for possible sanctions.

MITI Chief Ryutaro Hashimoto has already said Tokyo will have "a cooling-off period" on auto parts trade.

The senior MITI official said Japan offered all it could offer while rejecting any requests that fall "outside government reach."

"It would not be easy for Washington, with a full knowledge of Japan's stance, to propose an early resumption on the talks," he said.

NTT President Satisfied With Trade Agreement

*OW0510082694 Tokyo KYODO in English 0716 GMT
5 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 5 KYODO—The president of Nippon Telegraph and Telephone Corp. (NTT), Masashi Kojima, on Wednesday [5 October] gave high marks to the latest Japan-U.S. accord on telecom procurement by NTT.

"The Japanese Government should be commended for rejecting so-called 'numerical targets' in the latest talks," Kojima told a press conference.

"The content of the agreement is satisfactory," Kojima said, adding that "We should make sure that any accord is written so that no misunderstanding would arise in principle in the future."

Kojima was commenting on Tokyo's rejection of any commitment and promise that would guarantee future trade performance or results.

"America is a country that detests unfairness. If Japan promises what appears attractive to them just to wrap up talks and no results are achieved, the country's reaction can be easily imagined," Kojima said.

As part of the trade "framework" talks, Tokyo and Washington have agreed to introduce a set of measures to improve foreign access to NTT business.

The accord centers around improvement of procedures in awarding deals, including advance disclosure of product specifications and ways to facilitate foreign companies' access to deals undertaken by NTT subcontractors.

"We will do our best with sincerity. But marketing efforts are also necessary on the side of Americans, if deals with us are to increase substantially," Kojima said.

The Japan-U.S. procurement pact on NTT, Japan's largest common carrier, privatized in 1985, was first concluded in 1980 and has been extended several times, with the current accord valid until 1995.

The pact prohibits discriminatory procurement in favor of domestic suppliers.

Fear of Dollar Drop 'Softened' U.S. Stand

*OW0510035094 Tokyo YOMIURI SHIMBUN in
Japanese 4 Oct 94 Morning Edition p 7*

[Article by Hideya Aoki from Washington; first in a series entitled: "The Japan-U.S. Framework Talks: An Accord Leaving Behind Future Bones of Contention": "The United States Softened Stance for Fear of Rapid Depreciation of the Dollar"]

[FBIS Translated Text] The Japan-U.S. Economic Framework Trade Talks abruptly reached agreement on government procurement and two other sectors through all-night ministerial level negotiations. Sanctions against Japan will now be limited to automobile spare parts, and it seems that a crisis in Japan-U.S. economic relations has been averted for the time being.

However, there is no guarantee that with this, Japan's trade surplus will be reduced, and bilateral economic friction will not rekindle. Let us look at the problematic issues in the discussions, and the future of Japan-U.S. relations.

It was only after daylight came to Washington that Foreign Minister Yohei Kono revealed the substance of the discussions. He said curtly: "Well, we are nearly finished," and could not suppress a smile. This occurred at the staircase leading to the Office of the U.S. Trade Representative (USTR) at 0800 on 1 October (2100 on 1 October, Japanese time), when Kono was on his way to the fourth round of negotiations with USTR Mickey Kantor after being through three rounds of all-night negotiations.

At that time, Kono had received information that Kantor had suddenly softened his stance. According to the information, the United States was now beginning to be inclined to accept the Japanese proposal for an ambiguous agreement on objective criteria to gauge government procurement.

The truth is, there had been signs of such a change on the U.S. part two or three days previously. Secretary of the Treasury Lloyd Bentsen stated at a news conference: "Sanctions against Japan will be very limited." The Federal Bank of New York had also told Wall Street foreign exchange dealers: "The framework talks will not affect the yen-dollar exchange rate; do not worry."

The above indicated that the "macro faction" led by the Treasury Department, which was worried that tension in Japan-U.S. relations might lead to foreign exchange market fluctuations, had moved to restrain the "micro faction" led by the USTR, which was more concerned with figures and minute details.

Officials belonging to the "security group" in the Departments of State and Defense, which oversees Japan-U.S. relations, including security and the impact of bilateral ties on Asian relations, had also asked the Japanese members of the press: "If sanctions against Japan are small in scale, would news coverage in Tokyo be less extensive?" The United States was not undivided in its thinking.

Nevertheless, neither the macro faction, nor the security group could have persuaded the micro faction without bait. At that juncture, the long-awaited decision by the Murayama administration to "implement tax cuts for the next three years" became an important keyword. With the announcement of the decision, Bentsen stated: "Japan's tax cuts will go a long way in correcting the trade imbalance." He stressed that the United States had already made some gains in the talks.

At first, the Japanese Government, particularly the Ministry of International Trade and Industry [MITI], had thought: "The United States thinks Japan is a country that will always give in at the end; they will have to change that notion." It was prepared to take a tough attitude and say "no for the second time," after it had done so at the Japan-U.S. summit meeting in February. The Foreign Ministry, which is close to the U.S. security group, was strongly opposed to this, saying: "MITI is trying to ruin an agreement."

In the first place, the framework talks started with the aim of reducing Japan's trade surplus. After some time, the participants lost sight of the overall issue, and this became a "trade game" wherein bureaucrats compete to win points.

Following the end of the Cold War, Western nations have lost their common enemy, and it has become easier for conflicts to surface. In such a situation, it is necessary to deal with trade friction calmly, as an everyday occurrence.

For instance, if you perceive the word "sanctions" merely as a means to carry out negotiations in one's favor, there is no need to overreact. A level-headed approach is imperative.

Expert Questions Outcome of Framework Talks

OW0410122794 Tokyo NIHON KEIZAI SHIMBUN in Japanese 2 Oct 94 Morning Edition p 3

[Article by Ryosuke Harada]

[FBIS Translated Text] Washington, 1 Oct—Failing to meet their deadline of 0000 hours 1 October (1300 hours 1 October Japan time), the Japan-U.S. economic framework talks continued around-the-clock talks in an unprecedented move. US Trade Representative (USTR) Kantor played a major role in the negotiations. Japanese bureaucrats, the other leading figures in the talks, tackled the negotiations by putting forward Foreign Minister Yohei Kono and head of the Ministry of International Trade and Industry [MITI] Ryutaro Hashimoto as the Japanese representatives. It was noticeable that each side tried to win concessions from the other by attempting to take advantage of their counterparts' weak points: The Japanese saw the low popularity of the USTR attitude as a weakness, while the USTR saw the "bureaucratic barrier" as Japan's weak point. Bearing in mind the original purpose was to rectify the trade imbalance between the two sides, there is no doubt the negotiations "turned aside" from their original goal.

Foreign Minister Not Informed?

As night approached on 30 September, ripples became visible in the relationship between MITI and the Foreign Ministry. In negotiations on the auto and auto-parts sector, the U.S. delegate indicated a flexible attitude, saying: "It is possible to set a period of grace" before deciding whether to put Japanese auto parts on a hit-list of products subject to trade retaliation for "unfair trading practices" under the Super 301 provision of the 1988 Omnibus Trade Act (sanctions against unfair trade partners). Immediately after hearing the U.S. proposal, senior MITI officials told reporters that "negotiations on the government procurement sector are facing a very heavy going" while omitting mention of the auto and auto-parts sector.

Although MITI Minister Hashimoto ended his talks with Kantor before midnight, Hashimoto and Foreign Minister Kono, who was ready to hold a second round of talks with Kantor, missed each other and did not have a chance to talk. It seems, therefore, debatable whether Foreign Minister Kono was told how much the U.S. side was prepared to be flexible on the issue of deciding which products would become subject to trade retaliation under the Super 301 provision.

USTR Kantor represented the U.S. side in tackling the overall negotiations. The Japanese, meanwhile, designated MITI to take charge of negotiations on autos and

auto-parts, and the flat glass sector, while the Foreign Ministry negotiated on government procurement—a reflection of the country's compartmentalized bureaucracy. Sometimes, then, Japan faces an information barrier between its ministries, and the way it handles such negotiations often allows a counterpart to take advantage of this weak point.

After the Hashimoto-Kantor talks, MITI administrative officials, including Deputy Vice Minister Okamatsu, acted in the hope of reaching agreement on trade areas under MITI's jurisdiction. However, it was just before noon on 1 October that agreement on the government procurement sector was reached. Although negotiations on the auto and auto-parts sector ended in failure, it can be said that the Japanese fell victim to the U.S. strategy of splitting the Japanese delegates to produce a result.

Public Cool to USTR Manner

It was a gray morning on 1 October and at the USTR building, into and out of which the Japanese negotiators passed during the talks, representatives of Guardian Industries Corp., a leading U.S. glass maker, talked secretly in a corner of the building with senior USTR officials. They talked with one USTR official, said "an agreement is very near" and then left the building. Some Congressional hardliners also applied pressure to Kantor in a bid to obtain concessions from Japan.

However, there were few companies lobbying the USTR like Guardian Industries Corp. and many of the congressmen were blasé about the framework talks.

Originally, the U.S. public was little excited by the framework talks. Even major TV stations did not cover the talks in their news programs.

Doubt Over Whether Agreement Will Rectify Trade Imbalance

During negotiations on the government procurement sector held a few days ago, USTR Kantor hinted that the United States may be flexible about objective criteria if Japan lowers the minimum amount of special drawing rights (SDR) applied under the "comprehensive evaluation system" to 250,000 SDR. But on 30 September, Kantor changed his mind and took a firm stance again on objective criteria.

It is reported that underlying Kantor's change of attitude was the fact that, according to a U.S. government source, "the President directed that setting up objective criteria was a top priority task."

However, it is questionable how much the United States' insistence on including in the agreement the expression that "progress will be made every year in sales and market shares" of U.S.-made products will contribute to rectifying the trade imbalance between Japan and the United States.

Effects of Framework Talks Accord Assessed

OW0510043094 Tokyo NIHON KEIZAI SHIMBUN in Japanese 4 Oct 94 Morning Edition p 5

[Unattributed article: "Framework Talks Accord—How Will the Three Sectors Change?"]

[FBIS Translated Text] In the Japan-U.S. Economic Framework Trade Talks, both Japan and the United States struck a deal on three sectors of government procurement (procurement of telecommunications and medical equipment by government organizations), the insurance sector, and sheet glass sector, with the exception of the automobile and auto parts sector. NIHON KEIZAI SHIMBUN has examined how relevant industries will change and how the government plans to move in the future.

Government Procurement

In keeping with an accord reached between Japan and the United States in negotiations on government procurement, the government will adopt a "general assessment tender formula" in April next year under which consideration is given not only to prices, but to bidding performance. The government will also lower the price level of goods subject to the formula from the current level of 800,000 SDRs (approximately 110 million yen) to less than 385,000 SDRs in 1989. Of the telecommunications equipment (worth approximately \$500 million) purchased by the Japanese Government in 1992, foreign-built equipment accounted for about \$30 million, or 6 percent. Foreign-built telecommunications equipment perform well, but are higher priced than their Japanese counterparts. "The procurement of foreign-made high-performance wireless appliances for use by police and river control personnel is expected to increase in the future" (according to the Foreign Ministry).

In negotiations on the procurement of telecommunications equipment by Nippon Telegraph and Telephone Corporation (NTT), which were held in parallel with the framework talks, an agreement was reached between Japan and the United States that Japan will take steps to: 1) Provide prospective bidders with information about government procurement plans for the next few years; and 2) enable prospective bidders to state their views on the bidding contents. NTT thinks "the agreement will make it easier for foreign firms to sell their digital-type telephone switchboards for optical fiber use and other high-tech telecommunications appliances in Japan."

For a long time, national hospitals have purchased medical equipment that meet certain requirements at low prices through biddings. The comprehensive performance appraisal is expected to increase the "purchase of foreign-built high-performance medical equipment by national hospitals" (according to the Health Service Bureau of the Ministry of Health and Welfare). The view is surfacing among medical equipment makers that "there is a possibility that relatively low-priced foreign

medical equipment including computers used to handle patient data will be sold in Japan" (according to a medium-sized medical equipment maker).

Insurance

The timing of liberalizing the third "sector" of injury, illness, and nursing insurance, in which foreign insurance companies hold the upper hand, will be delayed and the current regulations will remain in force for the time being. An agreement reached between Japan and the United States in negotiations on the insurance sector is ambiguous. It says: "Japan will promote liberalization of the third sector in response to progress in deregulation in other sectors during a moratorium until the third sector is liberalized completely." The moratorium period itself is being criticized as "something that runs counter to liberalization."

At any rate, foreign insurance companies, which see the third sector as a major source of profit, will be able to retain "their vested interests" under the agreement, but the agreement will not restrict insurance dealt in by Japanese insurance firms. Both Japanese and foreign insurance firms will continue to share the insurance business in Japan, and Japanese insurance companies have reacted with composure to the agreement.

Insisting that Japanese insurance companies are engaged in keiretsu, in which they give priority to contracts with firms that belong to the same business group, the United States has taken issue with this business practice. In response, Japan has said that civic organizations and the Fair Trade Commission will undertake a market survey. The United States is expected to raise the issue anew depending on the results of the market survey and there is a possibility that keiretsu is sowing the seeds of future friction between the two countries.

Sheet Glass

No glass maker in the world can hold a candle to U.S. glass makers in the selling of double-glazed glass. The Ministry of Construction plans to use it widely in public works projects. Double-glazed glass is a special type of glass capable of insulating heat effectively through having air inserted between two sheets. As a concrete measure to promote its use, the Ministry of Construction plans to implement a model public works project using it. "The ministry will push for wide use of double-glazed glass after finalizing details of a plan for its use within one month" (says Administrative Vice Minister Shigeo Mochitsuki).

The Housing Loan Corporation has established a loan system under which it increases the amount of a loan by 500,000 yen for "closed-door heat-insulating house construction" which uses double-glazed glass. Loans extended by the corporation for such housing construction in 1992 totaled 7,200 cases, or about 4 percent of the total loans extended by the corporation for the construction of individual houses during the year; the ministry

will study ways to flesh out the system. American-made glass is about 40 percent cheaper than Japanese-made glass and if opportunities for its use are expanded in Japan, this will boost imports of glass from the United States.

Editorial Views Outcome of Framework Talks

*OW0510020094 Tokyo ASAHI SHIMBUN in Japanese
3 Oct 94 Morning Edition p 5*

[Editorial: "Although Japan and the United States Avoided a Breakdown in the Framework Talks..."]

[FBIS Translated Text] In the end, Foreign Minister Yohei Kono and International Trade and Industry Minister Ryutaro Hashimoto respectively, held all-night marathon negotiations with U.S. Trade Representative Mickey Kantor, which is unusual. Japan and the United States struck a deal in the final round of negotiations on three sectors, with the exception of the automobile and auto parts sector, under the Japan-U.S. Economic Framework Trade Talks and this deal makes us relieved. We would like to applaud the efforts made by negotiators of the two countries.

The two countries did not expect that if negotiations were concluded successfully it would spur them to move toward redressing the trade imbalance. There was a fear that if negotiations were broken off, the dollar would depreciate and the yen would appreciate, thereby triggering a trade war between Japan and the United States and chilling the entire Japan-U.S. relations. Among other things, avoiding a breakdown in negotiations was one of the results.

However, the two countries must not feel at ease with the deal they struck. Japan's trade surplus with the United States is showing signs of growing further and Japan should speed up the pace of its economic recovery, which lags behind that of the European nations and the United States. In order to boldly promote deregulation, as Prime Minister Murayama has indicated, the government should work on administrative reform while "striving to make itself lean." This is an urgent task for the government.

In the latest negotiations, Japan and the United States reached a set of accords on three sectors—government procurement of telecommunications and medical equipment, the insurance sector, and sheet glass; in response, the United States decided to postpone slapping trade sanctions against Japan.

In negotiations on the government procurement sector that were often stalled because of a dispute between the two countries over objective criteria designed to measure the sales of imported foreign-manufactured goods on the Japanese market, the United States withdrew its demand: "The Japanese Government guarantee sales of foreign-manufactured goods in the government procurement sector." It was a matter of course for the United States to drop such a demand.

Needless to say, Japan should abolish all mechanisms and procedures that prevent foreign firms from selling their manufactured goods on the Japanese market. Japan needs to make both domestic and foreign goods compete fairly on its markets. If Japan promised the United States it would purchase foreign-manufactured goods preferentially, it would go against deregulation and undermine the interests of Japanese tax payers.

It is regrettable the two countries failed to reach an accord on the automobiles and auto parts sector. The United States, however, decided to make only replacement auto parts subject to possible trade sanctions, perhaps out of consideration for the fact that exports of U.S.-built automobiles and auto parts to Japan are on the rise, and out of the need to keep the trade sanctions from impacting on the entire Japan-U.S. relations.

The Super 301 Provision, which the United States regards as a basis for trade sanctions, is a unilateral legal step. Japan should not go along easily with any request from the United States for resuming negotiations on automobiles and auto parts.

The cumbersome vehicle inspection system and safety standards for auto parts in Japan pose inconveniences to Japanese drivers. We hope the government will voluntarily simplify the system while paying attention to safety without waiting for the United States to point it out.

We believe the latest negotiations were fruitless compared with the rough going they underwent, because negotiators from Japan and the United States were pinned down in the unproductive debate on defining and interpreting objective criteria rather than seriously working to find ways to redress the trade imbalance between the two countries.

The United States took a hardline stance on Japan in the negotiations not with the aim of seeing them yield good results, but at winning back the support of Congress which "is increasingly distancing itself from President Clinton."

In the United States, where the economy is booming and the public's attention to trade issues with Japan is ebbing, the method of increasing one trade demand after another on Japan did not necessarily win public support.

In the negotiations, Japanese negotiators consistently took a passive stance. They managed to push back a "result-oriented" demand from U.S. negotiators that could have lead to managed trade, but failed to put forth a forward-looking prescription to reduce the trade surplus with the United States. A change of government has occurred twice in Japan since the framework talks began, and it has failed to present the United States with a political will to reform the structure of the Japanese economy. This kept the negotiations from yielding more tangible results.

It is desirable to seek to resolve trade issues not through bilateral negotiations that are prone to stalemate, but through multilateral negotiations that play the role of judge.

Fortunately, GATT will strengthen its functions and be reborn as the World Trade Organization (WTO) next year. Taking advantage of the WTO's inauguration, both Japan and the United States should study what form the Japan-U.S. economic framework talks should take and move as many trade disputes as possible to a venue for multilateral trade negotiations.

NTT Prepared To Participate in PHS Project

*OW0510092694 Tokyo KYODO in English 0836 GMT
5 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 5 KYODO—Nippon Telegraph and Telephone Corp. (NTT) said Wednesday [5 October] the company is prepared to accept an equity participation by Britain's Cable and Wireless PLC in its project to offer a new telephone service in Asia, called personal handvone system (PHS).

NTT President Masashi Kojima told a news conference, "If cable and wireless offers such participation, NTT would think it something worth studying."

NTT would look for a business partner with strong overseas operations in promoting PHS services in Asia, Kojima said.

Kojima said NTT and Cable and Wireless have already launched joint experiments in Hong Kong on PHS services.

NTT announced Wednesday it will set up subsidiaries in nine regions nationwide on Oct. 14 to prepare for the start of a new service using the PHS.

The subsidiaries will conduct feasibility studies and other preparatory work for the start of NTT's PHS service in fiscal 1995, NTT said.

The new system will enable a wireless phone to be used outdoors like a cellular phone, but calling rates would run about half the rates charted for existing cellular phones.

Beijing Symposium To Focus on Chinese 'Family Car'

*OW0410081094 Tokyo KYODO in English 0715 GMT
4 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 4 KYODO—The Chinese Government is inviting major world auto-makers to Beijing next month to help design the "family car" of China's future, Japanese auto industry officials said Tuesday [4 October].

That car will be smaller and cheaper than the 1.3 million cars per year currently manufactured in China. Chinese officials are looking for a vehicle with an engine size

between 1000 and 1600 cc and a price tag below 500,000 yen, according to the Japanese officials.

Starting in 1996, China will begin a switch from public-use vehicles to "people's cars" and family vehicles. By the year 2,000, the Chinese Government targets annual car production of three million units per year.

The Beijing symposium, called "Family Car Seminar" has already attracted 18 participants from Japan, the United States, and Europe. It will be held Nov. 14-20. Toyota Motor Corp., Nissan Motor Co. and the U.S. "Big Three" automakers will take part.

Since the Chinese Government has yet to provide specifications for the new "family car" design, most automakers will rely on existing models to demonstrate the appeal of their technology.

The auto industry officials said that the manufacturers will use the seminar as an opportunity to search for joint-venture partners and to research Chinese plans for a national car.

Since China's new car policy was announced, Japanese automakers have been galvanized by the lure of a huge, new market, they said.

The officials said that Japanese manufacturers have been busy developing proposals for high-quality, low-cost cars for the Chinese market, and senior executives have been making regular visits to the country.

Oil Firms Enter Chinese Lubricating Oil Market

942A0740A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 27 Sep 94 p 15

[Article by Keisuke Komori]

[FBIS Translated Text] Major Japanese petroleum companies have begun moving into China on a full scale in the lubricating oil business. Japan Energy (former Nippon Mining, Kyodo Oil; J Energy) has established a joint venture in Shanxi Province, and Cosmo Oil has begun the export of products. Idemitsu Kosan also is proceeding with preparations for a tie-up. The lubricating oil business, where investments can initially be managed on a small scale, has the role of an advance guard for entering the Asian region. While anticipating intensification of competition on the domestic market with the relaxation of regulations, expansion into China with lubricating oil can be called one survival measure for the petroleum industry.

"Joint-venture enterprises or sales tie-ups will be necessary in two or three places." Managing director Yasuo Ikeda of J Energy, which has established a joint-venture company with a local company in Yangquan city, Shanxi Province, China, intends to increase further the number of bases within China. The company is especially thinking about the southern region, including Shanghai, where economic development has been prominent.

The lubricating oil plant in Yangquan city will be the first joint-venture enterprise in China for a Japanese petroleum company other than crude oil development. The production scale will be 10,000 tons annually, construction costs are about 290 million yen, and production will begin next spring.

Cosmo Oil initially will build a sales route by product exports without taking the road of joint venture. It is selling in Beijing and Shanghai, consigning production by OEM [original equipment manufacturing] to Far East Oil and Chemical (Pusan city), a South Korean lubricating oil manufacturer, because it would not offset costs if from a domestic refinery.

Idemitsu Kosan, which has a fat pipeline with China in crude oil purchases, also is looking for a tie-up. Director Takeru Nahara admits that "Several talks have been held and we are studying it cautiously. The date is undecided, but there is no doubt that we will go in." The scale of the Chinese lubricating oil market currently is 3 million tons annually. Domestic production cannot catch up to demand and the market is relying on imports for 1 million tons. Considering future development of motorization and industrialization, J Energy estimates growth at an annual rate of 15 percent. Moreover, the market is somewhat chaotic as a result of similar U.S. and European brand products appearing on the market and it seems that there are strong expectations for expansion by Japanese forces, which have an established reputation for quality even locally.

Some in the industry say that J Energy, which has taken the form of leading the way in expansion into China, "may be somewhat too hasty." What the company is building in Yangquan city is a blending plant which will have as the finished product a mixture of base oil that is the raw material for lubricating oil and various kinds of additives, and it seems that the base oil will mainly be exported from the company's Mizushima refinery (Kurashiki city, Okayama Prefecture).

"Considering domestic refining costs and transport costs, will there be a profit? I think that abrupt joint ventures by petroleum companies having no experience with Chinese business is a drastic decision." The officer of a petroleum company reveals a somewhat sarcastic sentiment. Cosmo Oil also studied joint ventures, but decided that the time was premature, and only made a tie-up with a local sales company.

The base oil production scale at J Energy's Mizushima refinery is 300,000 tons annually. On the other hand, the company's domestic sales are no more than 220,000 tons. It seems that the aim of its aggressiveness in a joint venture with China also is the liquidation of surplus equipment.

That does not mean that other companies have such time to spare. With lubricating oil, which has little initial investment, different from construction of a refinery with an investment on the scale of 100 billion yen, it is a

method of learning Chinese business practices and establishing sales routes. The "favorite" business of the production and sale of fuel oil will come into the picture in the future.

The various companies probably want results to a certain extent in advance of the intensification of competition on the domestic market that is expected to come in the next few years as a result of relaxation of regulations. It is just about certain that the Special Petroleum Products Import Provisional Measure Act, which virtually limits import of gasoline, kerosene, and light oil to only petroleum companies, will be rescinded in March 1996. If trading companies and distributors enter the product import or gasoline station business, profits like before no longer can be expected.

How will they survive in the relaxed regulation era? The first way considered is to earn money by crude oil development like the U.S. and European majors. Actually, Mitsubishi Oil has discovered an oil field offshore of Vietnam and is approaching the earnings structure of majors. However, this is strictly an exceptional case and the capital, information, and technical capability is inadequate to compete with majors in crude oil development. Diversification in the energy business such as liquified natural gas also takes considerable investment and time.

Inevitably remaining is expansion into Asian markets starting with China. The desire for the lubricating oil market in China and Southeast Asia expresses in itself the anxiety about the future of domestic sales.

Tokyo, Seoul in Memory Chip Investment War

OW0410101294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 27 Sep 94 Morning Edition p 3

[Unattributed article: "Japan, ROK Semiconductor Manufacturers Investing Heavily in Memory Chips"]

[FBIS Translated Text] Japan and South Korea's major semiconductor manufacturers have launched major offensives in capital investment on next-generation memory chips. With an expected decline in demand for the chips, there has been strongly worded concern about the risk of making large investments, running to around 100 billion yen to build a single plant. But with U.S. manufacturers having forged ahead in the area of micro-processing units (MPU), east Asian manufacturers have no choice but to bet everything on memory chips. Over the next two to three years, every chip manufacturer will be forced to make a choice—either to take risks and continue to make capital investments, or cut back on their business in semiconductors.

"This scale of investment is necessary if we want to remain one of the top three memory chip manufacturers," said Masanobu Oyama, executive director of Toshiba Corporation, which has decided to construct a plant for next-generation memory chips in Yokkaichi (Mie Prefecture), with an investment totaling 100 billion

yen. The top three manufacturers are considered to be Toshiba, NEC Corporation, and Samsung Electronic Company of South Korea.

Oyama's remark can be construed as a declaration that only the three biggest three manufacturers will remain in the semiconductor market in the future.

According to estimates by survey organizations and semiconductor manufacturers, the total market for 16-megabit (1 mega is 1 million) dynamic random access memory (DRAM) chips will grow to 600 million pieces by 1996.

Japan's six existing chip producers—NEC, Toshiba, Hitachi, Fujitsu, Mitsubishi Electric Corp., and Oki Electric Industry Company—are believed to have a combined production capacity of over 400 million pieces. But South Korean manufacturers are on the offensive when it comes to producing the 16-megabit chips, with plans to produce about 400 million pieces. Samsung, Hyundai Electronic Industry Company and Goldstar Electronic Company of Korea are rushing ahead as if they want to overwhelm the Japanese companies in one big sweep with such large investments. There is more than a good possibility that the demand-supply balance will collapse under such conditions.

Another problem is the increasing burden of investment. If a company wants to equip itself to produce DRAM chips, the main component of memory chips, it will need to invest 1.7 times more than it did to produce the older chips.

U.S. companies, meanwhile, which quit the war of attrition and have since specialized in the production of such high value-added products as the MPU, can now stand aloof, playing the spectator.

According to W. O. Howe, vice president of Semiconductor Product Group, the world's largest MPU manufacturer, Intel Corp., believes: "As long as the companies are fighting only to take other companies' share of the market (for DRAM chips) as they are now doing, there is no profit in it.

"Until recently Japanese companies had not realized they needed to develop a new market, as was done with the MPU. And the Korean companies are going the same way."

With his company having done so well in 1993, turning out a net profit of about \$2.3 billion, more than six times that of NEC, he could apparently afford to be relaxed and calm.

Since Japan and the United States have chosen to "go their separate ways" on this issue, there is not expected to be any more Japan-U.S. trade friction over semiconductors. The current Japan-U.S. Semiconductor Agreement is due to remain in effect until 1996.

The Ministry of International Trade and Industry (Machinery and Information Industries Bureau) remains

optimistic about the outlook, though, saying: "There should be no problem even if Japanese semiconductor manufacturers choose to make greater investment in plant and equipment."

For the Japanese manufacturers which have failed to move out of memory chips business in time, however, there is no luxury of time to be concerned with trade friction. In the electric machinery industry conversation revolves around a report issued by an analyst at Nomura General Institute.

The report said: "Oki Electric Industry Company, which is expected to announce in 1994 another record high profit, is likely to fall into the red in 1998. Taking only the semiconductor side of the business, it is expected the company will show a loss beginning in 1996."

As the basis for predicting Oki Electric's deficit, the report points out increased depreciation expenses due to large investments by its subsidiary Miyagi Oki Electric Company (in Kurokawa County, Miyagi Prefecture) and sluggish future market conditions for memory chips. In other words, Oki Electric, the smallest of the semiconductor manufacturers, will be punished for having made capital investments at a scale beyond its means.

There are also differences in the financial capabilities of these companies. Let's take, for instance, the various balance sheets (at the end of the first quarter of 1994). After subtracting interest-bearing debts (the sum of long-term borrowings and corporate bonds) from the liquidity in hand (the cash and cash equivalents plus short-term negotiable instruments), Hitachi was left with a balance of about 360 billion yen. It is financially comfortable. But Oki Electric's balance was 210 billion yen in the red, Toshiba's was 270 billion yen in the red, and Fujitsu's was some 700 billion yen in the red.

According to Toshiba executive Oyama, the reason why Japanese semiconductor manufacturers continue to attach importance to DRAM chips is because they think "DRAM chips are the essence of the latest technology in semiconductors; if they give up memory chips, it means they will fall behind technologically." That will, in turn, mean large-scale draw-downs in semiconductor businesses.

Manufacturers now have to choose their direction, mapping their strategy on the next-generation memory chips while also considering the burden of investment needed.

Government 'Incompetent' in Foreign Affairs

OW0510044194 Tokyo YOMIURI SHIMBUN in Japanese 4 Oct 94 Morning Edition p 2

[Unattributed article from the "Political Sketches" column: "Murayama Diplomacy Characterized by Reliance on Bureaucrats and Lack of Principles"]

[FBIS Translated Text] As usual, the issue of the DPRK's (North Korea) suspected development of

nuclear arms hovers over Japan like a dark cloud. With the breakup of U.S.-DPRK negotiations, things seem to be turning for the worse.

"Depending on future developments, it is important to take a firm attitude."

At the U.S. Department of Defense in Washington on 23 September, Defense Secretary William Perry reminded Foreign Minister Yohei Kono sternly. This was meant to stress the importance of cooperation between Japan and the United States if the discussions proceed to the issue of sanctions against North Korea. Kono limited himself to responding: "We will cooperate with the United States."

Under the Murayama administration, "sanctions are a taboo subject" (according to a Defense Agency [DA] source). With the Social Democratic Party of Japan [SDPJ] in power, that was the limit of what Kono could say.

Before that, on 15 September, Perry said to DA Director General Tokuichiro Tamazawa cynically: "Is Japan really thinking of conducting Japan-U.S. relations with new ideas?"

He was expressing his anxiety over the Murayama administration's reducing the budget request for the expenditures of U.S. Forces in Japan. Although Tamazawa suggested that an increase in appropriations may be included in the budget formulation process by the end of 1994, there is bound to be a dispute over the issue because the SDPJ had conceded to recognizing the legality of the Self-Defense Forces [SDF] on condition that "disarmament will be promoted."

The Murayama SDPJ administration has succeeded in effecting bold policy changes—including recognizing the constitutionality of the SDF and upholding the Japan-U.S. security pact—while presenting itself as a "dovish" administration. However, since it holds the reins of government, it is being required not only to change basic policies, but also to have the problem-solving ability of dealing with continuously emerging issues realistically.

Relations with China have become tangled over the question of Taiwan VIPs visiting Japan. At the Japan-PRC foreign ministers meeting on 26 September, a crisis was averted after Kono took the unusual step of handing Chinese Foreign Minister Qian Qichen a letter pledging "we will not allow Taiwan President Li Teng-hui to come to Japan in the future." However, in this affair, there were no positive instructions from the prime minister. A source concerned with Japan-China relations lamented that he was "disappointed with the Prime Minister's Office."

Furthermore, on 3 October, as the Japan-U.S. economic framework talks completed a critical stage, a senior Foreign Ministry official revealed: "Nothing at all came from the Prime Minister's Office. Our officials in the field made all the decisions."

To Prime Minister Tomiichi Murayama, what worries him most at the moment is the safety of the SDF with the worsening peace and order situation in Zaire. He asks his close aides everyday: "Will they be alright?"

The fact is: The hands of the present political authorities are quite full with immediate issues. What are Japan's goals? What action should it take amid the unpredictable international political situation? The diplomatic leadership of the Murayama administration, its policies, and ideals with a vision for the future, are nowhere to be found.

Murayama's Close Political Advisers Discussed

OW0510063494 Tokyo SANKEI SHIMBUN in Japanese 3 Oct 94 Morning Edition p 2

[Article by Masahisa Okawa and Jiro Ayaori: "Advisers Assisting Prime Minister Murayama"]

[FBIS Translated Text] Three months in the office of prime minister. It has now become clear who makes up the group of advisers assisting Prime Minister Tomiichi Murayama to steer political affairs. Apparently, those who exert unswerving efforts to support the prime minister at the head of a government formed by a coalition of the Liberal Democratic Party [LDP], Social Democratic Party of Japan [SDPJ], and Sakigake [Harbinger], are mostly left wingers and SDPJ middle-of-the-roaders. However, the truth is, when it comes to the actual methods of steering the government, Murayama has to rely more on the "experience" of the LDP, rather than the SDPJ.

Trust in Dovish Politicians

"Do we have to put the consumption tax rate down as 5 percent?" On the evening of 20 September, at the meeting of ruling party leaders to decide on the outline of tax reform, when the LDP and Sakigake suggested the tax rate be raised to 5 percent, Murayama thus expressed his discontent.

After vacillating for some time, the person he finally telephoned was the LDP's Masaharu Gotoda, a former deputy prime minister. Gotoda explained to the prime minister in detail the issues involved in tax reform, and before hanging up the phone, he said: "The rest is up to the prime minister to decide."

Close aides of Murayama recall that "in this decision, Mr. Gotoda played a significant role." While Gotoda admits that the prime minister sometimes asks him for advise, he says: "I never tell him what to do for specific policies."

Former Prime Minister Kiichi Miyazawa is also an influential adviser. Soon after Murayama became prime minister, he asked Miyazawa for advise before attending the meeting of leaders of the advanced countries (the Naples Summit). On the evening of 12 September, Murayama sneaked out of a dinner party held by SDPJ

members to have a long talk with Miyazawa, who happened to be in the same hotel. Murayama is said to have asked for advise on how to present his government as a "dovish administration."

Priority Given to Dealing With Diet Affairs

"He works best with former LDP Secretary General Seiroku Kajiyama. In the middle of the struggle with the SDPJ on conditions for acceding to a raise in the consumption tax rate, a call came from Mr. Kajiyama reporting on the situation inside the LDP. What the prime minister hates most is to be accused of 'shirking the responsibility' (by the opposition parties); he would then be furious. He decided to put the new tax rate down clearly in order to be better equipped to steer Diet affairs."

Such was the testimony of the prime minister's close aides. In many things, Murayama relies on Kajiyama, who is an expert in Diet affairs and one of the behind-the-scenes backers instrumental in the establishment of the Murayama administration. The two have been bosom friends since the days when they were both Diet affairs committee chairmen of their respective parties.

Murayama discusses basic issues of the administration with Deputy Prime Minister and Foreign Minister Yohei Kono (LDP president) and Finance Minister Masayoshi Takemura (Sakigake leader) at party leader meetings. Since Japanese politics is basically a consensus-building process, the first thing that comes to mind is how to steer the Diet session. In this, the LDP's cooperation is indispensable. In many cases, he has to rely on Kajiyama.

Nosaka Calls the Prime Minister's Official Residence Every Morning

In the prime minister's decision making, the atmosphere inside the SDPJ occupies significant weight. For this reason, it is imperative for him to be informed of the situation inside the party.

Murayama's closest aide inside the party is Construction Minister Koken Nosaka. Together with Tsuruo Yamaguchi, director general of the Management and Coordination Agency, and Shun Oide, minister of posts and telecommunications, Nosaka was instrumental in the creation of the Murayama administration. He is so diligent; "Nosaka calls up the Prime Minister's Official Residence almost every morning" (according to House of Councillors member Sango Sato).

However, as Sato reveals: "The prime minister is a surprisingly thoughtless person." He has very little personal connection with the SDPJ right wing. One thing that has worried him most recently, is the moves of the right wing group of Diet members, the "New Democratic Alliance" (chaired by Sadao Yamahana).

In the labor sector, the prime minister's most trusted man is Haruo Sato, secretary general of Jichiro [All

Japan Prefectural and Municipal Workers' Union], the biggest member union under Rengo [Japanese Trade Union Confederation]. Haruo Sato is the number two man in the union, which has a membership of 2 million. He hails from the same hometown as Murayama, and has supported Murayama as a politician since the time he was secretary general of Jiricho's Oita Prefecture chapter.

The prime minister is also said to have invited Jiro Yamaguchi, professor of Hokkaido University, and commentator Naoki Tanaka for long talks.

SDPJ's Yamahana Interviewed on Politics, Policy
OW0510142994 Tokyo NIHON KEIZAI SHIMBUN in Japanese 2 Oct 94 Morning Edition p 2

[Interview with Sadao Yamahana, former chairman of the ruling Social Democratic Party of Japan and chairman of the New Democracy Association, by an unidentified NIHON KEIZAI SHIMBUN reporter; place and date not given; first paragraph is NIHON KEIZAI SHIMBUN introduction]

[FBIS Translated Text] "The New Democracy Association" [shinminshurengo] [NDA] was inaugurated as a policy study group of the ruling Social Democratic Party of Japan [SDPJ] under the banner of rallying social democratic and liberal forces. NIHON KEIZAI SHIMBUN has interviewed Sadao Yamahana, former chairman of the SDPJ and chairman of the NDA to ask him what strategy and ideals the policy study group within the SDPJ plans to use to form a new political force at a time when the party realignment is progressing at a rapid pace.

[NIHON KEIZAI SHIMBUN] Why does the SDPJ reject the idea of forming a new party between the Liberal Democratic Party [LDP] and the SDPJ and the idea of forming a new-new party?

[Yamahana] Looking at the power the LDP presently holds and the way of rallying forces to form a new-new party, I feel that a political structure will be built wherein power can be transferred between two conservative parties. In reaction, the NDA will do its best to form a third political force in Japan.

[NIHON KEIZAI SHIMBUN] Do you mean that the NDA will aim for a new party?

[Yamahana] I do not believe that the NDA will think of an immediate breakaway from the SDPJ. It has a vision of rallying new political forces in the future. It is often said that the current established political parties will be realigned and a tripolar political structure will be built. I, however, believe that the NDA will become the center of one pole in a bipolar political structure in the future. The NDA will not aim to form a new party immediately, but it will move step by step to form a new party.

[NIHON KEIZAI SHIMBUN] Some within the SDPJ are saying that the NDA is "a party in the SDPJ." What is your comment?

[Yamahana] They are making that statement with various intentions. The NDA is not a party in the SDPJ and there is no ground to criticize it. I cannot agree with the argument that if the SDPJ has its official organs, there is no need to form any policy study group within it.

[NIHON KEIZAI SHIMBUN] Voices are being heard within the SDPJ that Hokkaido Governor Yokomichi should lead the NDA. What is your comment?

[Yamahana] I think that Yokomichi is one of the political leaders in our nation. I have explained to him about the NDA and I think that he has a strong interest in it.

[NIHON KEIZAI SHIMBUN] The NDA has announced its support for the Murayama government which was formed by the LDP and the SDPJ. Do you not think that the NDA's announcement of support for the Murayama government contradicts the NDA's anti-LDP ideals?

[Yamahana] There is no contradiction since the NDA has made clear its present responsibilities and future strategies. One of the NDA's present responsibilities is to implement as many as possible of the SDPJ's policies while shoring up the Murayama government. One of its future strategies is to rally social democratic and liberal forces since the Murayama government will not last for five years or 10 years.

[NIHON KEIZAI SHIMBUN] How do you assess the Murayama government?

[Yamahana] In general, it has given an impression that only the "SDPJ has made concessions." I believe that it depends on how far the Murayama government will adhere to the Constitution, promote disarmament, and other issues, including the postwar settlement issue, which the LDP was unable to resolve during the past 50 years since the end of World War II. With regard to legislation for the relief of victims of atomic bombing attacks, for example, I wonder if the Murayama government will be able to draft a bill requiring the state to compensate them.

[NIHON KEIZAI SHIMBUN] SDPJ Chairman Tomichi Murayama is presently serving as prime minister of the coalition government. If a situation is created wherein the prime minister comes from the LDP, how will the NDA respond to the change?

[Yamahana] It depends on policy discussions with the government led by prime minister from the LDP. At the same time, if the SDPJ remains in a firm shape, the NDA will think of the LDP and a new-new party as its partners for discussion of ways to forge a coalition.

[NIHON KEIZAI SHIMBUN] As for electoral cooperation, the SDPJ seems to be thinking of giving a priority to consultations with the LDP. What is your opinion?

[Yamahana] A general view within the SDPJ is that the party should give its priority to forming its partnership for a coalition government and then move toward the next stage. If the SDPJ sticks to the general view, it would be too late for the SDPJ. It should take measures without delay after listening to other individual intra-party views. I would like to cite the SDPJ's electoral cooperation with the Democratic Reform Association, for example. The previous Rengo [the Japanese Trade Union Confederation]-type election campaign is important for the SDPJ's future campaign. I intend to explain to the SDPJ organs about the importance of that type of campaign.

SDPJ's Kubo Urges New Party To Counter Opposition

OW0510142294 Tokyo KYODO in English 1328 GMT 5 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 5 KYODO—Social Democratic Party (SDP) [of Japan—SDPJ] Secretary General Wataru Kubo said Wednesday [5 October] Japan's "social democratic" and "liberal" political forces should form a party in the powerful House of Representatives numbering more than 100 to counter the opposition.

The proposed new party should support Japan's war-renouncing Constitution, social justice and disarmament, Kubo said in an interview with KYODO NEWS SERVICE.

Kubo, the no. 2 executive of the SDP which is led by Prime Minister Tomiichi Murayama, said Saturday the SDP should dissolve itself to form a new party of social democrats and liberals.

He said he expects the new party to include "liberals" within the Liberal Democratic Party (LDP), the SDP's largest partner in the current three-party coalition government along with New Party Sakigake [Harbinger].

"It (the new party) must have strength of a three-digit number of seats in the lower house," he said in urging that more than 100 members join the proposed party.

Kubo said Hokkaido Gov. Takahiro Yokomichi may be the best person to lead such a party.

Yokomichi has said he will not run for another term when his current four-year term expires in April 1995 and suggested he may instead run in the next lower house election.

Yokomichi was elected four times to the powerful lower house with SDP backing beginning in 1969 and successfully ran for Hokkaido governor in 1983 and has been reelected twice.

Kubo said the formation of such a party is needed to counter the expected merger of opposition parties into a single party. "We will miss our chance unless we take positive action."

In late September, Japan's 10 opposition parties and groups merged their parliamentary forces to set up an interparty panel in preparation for their planned merger to form a new party.

New Rengo Chairman Ashida Interviewed

OW0410124294 Tokyo MAINICHI SHIMBUN in Japanese 2 Oct 94 Morning Edition p 2

[Interview with Jinnosuke Ashida, new chairman of the Japan Private Sector Trade Union Confederation, by unidentified MAINICHI SHIMBUN reporter; place and date not given]

[FBIS Translated Text] [MAINICHI SHIMBUN] What kind of labor activities do you aim to promote? I would like to ask your hopes.

[Ashida] It has been five years since the Japan Private Sector Trade Union Confederation [Rengo] was inaugurated. My role is to take over and develop organizational unity established under Chairman Akira Yamagishi. Although economic conditions is not good, we should make efforts to improve labor conditions in a positive and active way by respecting the labor union's fundamentals. We will make further efforts to promote in reforming the government policy and the political system. Our immediate task is to solve the issues directly related to people's livelihood, such as pension and tax system reform and correction of the yen's appreciation.

[MAINICHI SHIMBUN] Some people say labor activities themselves are now at the crossroads.

[Ashida] The number of workers who belong to labor unions are decreasing every year and it is now around 24 percent. We must take this fact seriously. The most serious problem is that labor unions in new industrial areas have not been fully organized.

[MAINICHI SHIMBUN] What do you think about your organization's relations with the political world?

[Ashida] If we ask for reform in government policy and the political system, we should of course take part in politics. Luckily or unluckily, the Social Democratic Party of Japan [SDPJ] is in charge of the administration. Rengo itself will tackle the reform issue in an open and direct manner. Since we have many members who are from SDPJ-supporting labor unions, it is also important for them to make the most of their own ties with the SDPJ to realize Rengo's request.

[MAINICHI SHIMBUN] Rengo policy says "its ultimate goal is to establish the two major political party system and a new political force, which can replace the Liberal Democratic Party and bear administrative burdens, will be formed." Do you plan to maintain this policy?

[Ashida] We discussed it for four years and finally reached an agreement. There is no reason for changing it now.

[MAINICHI SHIMBUN] How do you plan to deal with the political "split" between labor unions supporting the SDPJ and those supporting the Democratic Socialist Party [DSP]?

[Ashida] Honestly speaking, it is a difficult question to answer. This problem cannot be solved easily. I think we are now in the transition period as seen in (the former ruling parties' move toward) the formation of the new party. All political parties cannot help but unite into two major forces under the single-seat electoral system. I do not think the two major parties will necessarily be formed in the near future, but we must realize that political realignment will further continue. Rengo should cope with the situation taking into consideration that we are in a transition period.

[MAINICHI SHIMBUN] What is your opinion about uniting liberal forces in the SDPJ and the DSP?

[Ashida] I keep wishing for that. Unification of liberal forces is said to be the formation of one of the three political axes. However, our original goal is to form one of the two axes. I hope that parties supported by wage workers will obtain large power. However, is it [the two major political party system] actually possible now? The SDPJ and the DSP, when they were both opposition parties, could not get along even though they were in the same opposition camp. It is now more difficult for them to unite because one is the ruling party and the other is the opposition.

[MAINICHI SHIMBUN] What is your stand on the Murayama administration?

[Ashida] I cannot say we will have supporting and cooperative relations with the Murayama administration. We will take a free and unbiased stance.

[MAINICHI SHIMBUN] The SDPJ's "new democratic alliance" (led by former SDPJ Chairman Sadao Yamahana) has been asking for cooperation from Rengo. What do you think about that?

[Ashida] In principle, we let each labor union comprising Rengo make the decision on their relationship with political parties. Rengo as a whole will not provide full support to any party, including the SDPJ and the DSP.

[MAINICHI SHIMBUN] Labor unions have lost in their annual spring wage negotiations in the past several years.

[Ashida] The spring wage negotiations were settled after thorough discussion at the last minute to seek possible compromises in each industrial area and company. Is it fair to judge our efforts only by the fact of who won and who lost?

[MAINICHI SHIMBUN] Rengo no longer promotes strike as a labor activity.

[Ashida] It is the same story with the United States and the European nations. I think this is because labor-management relations have become stabilized. I do not think wages were cut just because we gave up on strikes.

[MAINICHI SHIMBUN] Will your chances to make political remarks be reduced compared with those of Chairman Yamagishi?

[Ashida] I will make further efforts to promote reform in government policy and the political system. If it is not considered a political activity, I may not have many chances to make remarks on political affairs.

* Political Moves of Ozawa, Murayama Analyzed

942A0619A Kyoto VOICE in Japanese Sep 94 pp 102-111

[Article by Shigezo Hayasaka, political commentator: "Is Ichiro Ozawa Dead?"]

[FBIS Translated Text] The Murayama Administration and Political Reform—Ton-chan the Chameleon

People do what they can. If they know their limitations, then they're satisfied with their lot. If everyone lived like this, their minds would be at ease, and they would never get sick.

"What are you talking about? I haven't gotten any sleep at all. I've been thinking seriously about this, and I wonder how someone like me became prime minister."

This was Prime Minister Tomiichi Murayama's reply to the question, "Did you sleep well?" posed to him by Finance Minister Takemura, who was sitting in front of him on the plane returning to Japan from the summit conference in Naples on 11 July. Two days later, Takemura related this episode to his audience at a lecture in Tokyo.

Murayama was born on 3 March 1924, and is now 70 years old. He has served seven terms as a Diet representative. He has never even been a parliamentary vice minister, and has no experience whatsoever in foreign affairs. He has no idea about public finance, finance, the taxation system, or international finance. Murayama comes from the Diet Affairs *zoku*, whose base is the left wing of the Social Democratic Party of Japan [SDPJ]. His only achievement is having ordered the "snail parade" at the Diet when he was Chairman of the Diet Affairs Committee, in opposition to the PKO [peace-keeping operations] bill in March 1992, when it was being deliberated. His selling points are his lifestyle (genteel poverty), and his long eyebrows. Immediately after Murayama was designated prime minister, the Japanese media, in its search for his personal connections, discovered that there aren't any, except for people affiliated with the All Japan Prefectural and Municipal Workers' Union. When the Murayama administration took the stage, almost everyone in Japan was stunned, including the prime minister's own wife. The rest of the world was even more stunned. Who is Murayama?

THE TIMES, a respected British newspaper, ran an acerbic piece about the new administration on its editorial page on 30 June, entitled "A Disaster for Japan." Some of the highlights from that article are:

"No one anticipated that a new government would arise from the political chaos in Japan, a government formed for the sole purpose of ousting political reformists from power."

"The Liberal Democratic Party [LDP] has calculated that it can fortify itself for the next election by manipulating the inexperienced Murayama, and using him as a figurehead, while retaining key cabinet posts."

"During the past eight months, the Socialist Party, as a partner of the former coalition government, has exhibited cowardice on an appalling level, and has shown itself to be an unpredictable colleague."

"The new administration seems likely to end up paralyzed on one side. Tax reform and deregulation are taboo to Murayama's supporters. They have still not abandoned their support of the North Korean regime."

"The points on which the Socialist Party and the LDP conservatives most agree are opposition to the opening of Japan's markets and protecting the interests of farming villages, which have helped both groups get elected."

These observations are scathing, realistic, and extremely suggestive. As the blue-eyed intellectuals have affirmed, the main characteristic of the new administration is the weakness and fragility of its policy platform.

At the Naples summit, Prime Minister Murayama vowed that he would accept the Japan-U.S. Security Treaty, continue with the previous foreign policy, and reform domestic administration. In July, during the extraordinary Diet session, he proclaimed loudly that he would abandon the policy of unarmed neutrality, and that the Self-Defense Forces are constitutional. This is a chameleon changing colors. The ability to change the color of one's body at will, automatically, in self-defense, to match the color of one's surroundings is divine providence. That's fine for a chameleon. However, the SDPJ has forever subsisted on its opposition to the Self-Defense Forces and the Japan-U.S. Security Treaty. The same goes for nuclear power plants, South Korea, the Japanese flag, and the national anthem. The SDPJ has never clearly indicated a change of course at any of its conventions in its stances on questions that form the basis for the running of a nation. When the prime minister (also the head of the SDPJ) undergoes a metamorphosis more quickly than the speed of light, the public, as well as his supporters, are bound to be confused.

President John F. Kennedy, who died a violent and untimely death, read his inaugural address on a cold, windy day. In that speech, he said that he wanted to be the sort of president who took responsibility for his actions and who, if he committed an error, would accept that responsibility in full. He also asked the American people to make sacrifices and to do their duty to their country. It would be sadistic to compare Murayama to

Kennedy, but notice that the catchphrase the 70-year-old prime minister, Ton-chan [an appellation based on Murayama's given name, Tomiichi] chose for his general-policy speech was "building a nation that is gentle to people." This is a stale expression in an age of female ascendancy, and reminds one of a woman saying, "I don't care what you do, just be gentle."

This catchphrase does not fit Murayama, who was born the fifth child (of 11) of a poor fisherman in Oita Prefecture, who worked his way through college and who, since the war, has devoted his life to the socialist movement. A leader is more likely to obtain the understanding of the public if he expresses his opinions in words that seem to be his own. Kakuei Tanaka was able to rally the public to his side, at least temporarily, with his slogan, "decisiveness and action."

My personal guess is that the idea of "a gentle nation" was put into Murayama's head by Yohei Kono and Masayoshi Takemura. Murayama was probably happy to use a meaningless adjective.

Three of the labels these three men like to use are "dove," "defender of the Constitution," and "liberal." Doves are the sort of people who, in the days of the cold war, were tolerant of the Soviet Union, and who avoided taking a hard-line political stance against it. In purely Japanese terms, doves are adherents of the ASAHI SHIMBUN and devotees of the Iwanami culture [Iwanami Shoten, one of Japan's leading publishers, has issued many books with leftist content]. They were pigeonholed as the antithesis of the U.S. imperialists, of the hawks, and came to symbolize ideological left-wing intellectuals. However, post-cold war doves are lukewarm toward international cooperation, and are generally viewed as selfish advocates of the pacifist nation (peace in my country) and of the "small" nation, one that doesn't aspire to become a political or military giant.

The Murayama administration is unenthusiastic about Japan's becoming a permanent member of the UN Security Council, and thereby shouldering its proper role and its proper share of responsibility. They say that, as a permanent member, Japan might be asked to fulfill a military role, but there is no explicit provision in the UN Charter stating that Security Council members have military obligations which differ from those of other member nations. If Murayama, Kono, and Takemura don't know this, they haven't done their homework. Leaders cannot be forgiven for being ignorant. If they were so eager to oppose Ichiro Ozawa's idea about Japan's fulfilling the role of a "normal nation," that they made this statement with full knowledge of the facts, then they are hypocrites.

Kim Il-song's sudden death coincided with the opening of the Naples summit, and caused a worldwide panic. It could lead to instability in Northeast Asia, where there are no dictators. Just when it seemed as though Carter's visit to North Korea might have solved the nuclear problem, the world lost its North Korean guarantor. The

future of Kim Chong-il's regime is unclear. One of the harsh conditions imposed by Ichiro Ozawa on the SDPJ's return to the coalition was that the party change its response to the suspicion that North Korea has nuclear weapons.

Kim Chong-il is a mystery man. The world doesn't know what's behind the mask. Japan's national strategy for resolving the difficulties between Japan and North Korea is closely connected with interests protected by Japan's security treaties with South Korea, the United States, and China. Kim Il-song's survival strategy, i.e., keeping the two Koreas separate, was both a desirable and realistic choice for Japan as well. However, a thick fog surrounds his successor, Kim Chong-il, and no one knows what he will do.

The Murayama administration claims that it will take whatever measures Japan's Constitution permits in connection with the possibility of North Korea's possessing nuclear weapons, if the UN Security Council passes a resolution. However, there has been absolutely no meaningful discussion of this issue among the three-party ruling coalition. The views held by the LDP and the SDPJ are as compatible as oil and water. Even if an unanticipated situation should arise on the North Korean peninsula, it will be more difficult for the two parties to formulate an effective, dynamic crisis-management policy within a limited period of time than it would be to pass one's little finger through the eye of a needle. Within the SDPJ, there are more than a few individuals or groups who have close ties to North Korea and who have received "benefits" of varying degrees from those ties. Prime Minister Murayama nonchalantly promised President Clinton that he would maintain the current security structure. However, future developments may make it difficult for him to keep that promise. The phrase so beloved by Murayama, Kono, and Takemura, "protect the Constitution," may not be as sweet as the cotton candy sold by a street vendor.

Right after Japan's defeat in the war, a pornographic magazine called LIBERAL was selling like hotcakes. Now the liberals are available at bargain prices in the political community. They have never offered a conceptual prescription or a policy platform equal to Ozawa's "Blueprint for Building a New Japan." They are not motivated by ideology, but by moods and fashion. In the United States, political liberals are irresponsible groups of politicians whose goal is a big government that continually excretes welfare. The term is synonymous with "left-wingers." Small government and decentralization, for which the three party leaders argue so passionately, are totally incompatible. When Ozawa discussed the SDPJ's return to the coalition with that party, he made it clear that he intended to raise the consumption tax rate and pressed them to pass the tax reform bill within this year. Immediately after the Murayama government was formed, it made a beeline for the following platform: abandon the idea of including tax increases and tax cuts in the same package, ignore strained national finances,

give priority to tax cuts by issuing deficit government bonds, combine a tax increase with as yet undefined administrative reform, and postpone them both until FY1994. This is an attempt to curry favor with the masses, fawning liberal politics. This is the picture of the Murayama administration that has formed in my mind.

Archenemy Kajiya's Realism

The struggling widow, the brute strength of a woman at the scene of a fire. Not only women, but any human being will squeeze out his last ounce of strength when he is pushed to the edge. Logic is not an issue here. The drama that unfolded during the birth of the Murayama administration was coauthored by the conservatives in the LDP and the left wing of the SDPJ (also conservatives). It was a victory of realism over Ozawa's fundamentalism. The enemy's enemy becomes an ally. The energy produced by hate and by the fear of ruin is stronger than arguments for reform. The effectiveness of this power-struggle principle was demonstrated once again during the recent change-of-government drama.

Former Prime Minister Morihiro Hosokawa resigned on 8 April, after a 13-year-old wound was reopened. The government headed by his successor, Tsutomu Hata, an honest man with a wealth of political experience, was expected to get off to a smooth start. But the overconfident Ozawa underestimated the SDPJ, believed what Keigo Ouchi told him, started the "Kaishin" group, and caused the SDPJ, which paled at the thought of self-destruction, to retreat from the battlefield. At that moment, control of the political situation slipped through Ozawa's fingers. Hata left office, his cabinet having accomplished only one feat—getting the bill for the FY1994 government budget passed. When a minority government came onto the scene, walking a tightrope, the Nagata-cho power game overheated at once.

However, at that point, the opposition's Noboru Takeshita, the LDP's biggest (closet) power broker, had not yet come up with the concept of a Murayama government. This political pro and former prime minister met with me at his official residence in Setagaya, Tokyo, on 10 May, and provided his reading of the political situation.

"The purpose of Tsutomu's [Hata] government is to get the budget approved. The lower house will pass the final budget on about 20 June. Then, we can expect the Diet session to be extended by a month. Immediately after the budget is approved, automatically, on about 20 July, a bill of no-confidence in the cabinet will be submitted. If both the LDP and the SDPJ vote yes, and it passes, Hata will have two choices, A and B. If he chooses A, he will dissolve the lower house and schedule a general election for 4 September. If he decides on B, the entire cabinet will resign. The LDP will return to power, and the cabinet it forms will oversee the election, since this will be a minority government. The election will be held in early October. Regardless of which choice Hata makes, the election will be held under the existing system.

However, the ruling and opposition parties will come to an agreement that the next general election is to be held under the small electoral district system with proportional representation. All we need to do is to decide upon the new district boundaries for the small electoral district system by 10 October. The probability of Hata's choosing A versus B is fifty-fifty. It will be better for his career if he chooses B."

The following day, I met with Akira Yamagishi, Rengo chairman, at the Zendentsu Kaikan in Kanda, Tokyo, and asked him for his outlook on the future.

"The Naples summit is coming up, so the Diet session will probably be extended by a month. A no-confidence bill will probably be submitted after 20 July, after the budget has been approved. The bill will probably focus on preventing political corruption and the Hosokawa problem. Hata's entire cabinet will resign. He won't dissolve the Diet while we still have the medium-sized electoral district system. After that, we'll have a cabinet headed by an LDP member. That cabinet will oversee the election. I don't think an LDP-SDPJ coalition would be possible. I've told the SDPJ to monitor the situation from outside the cabinet. My guess is that the election will be held sometime between late September and early October. Then we'll see the curtain go up on political reorganization."

The outlook on the political scene expressed by these two key figures in the LDP and the labor world just happened to coincide with the conventional wisdom of the time. But one never knows what lies ahead on the political scene. The LDP-SDPJ coalition, once an underground conduit, became the mainstream. It was Ozawa who opened the floodgates.

During the time that he supported Lord Prime Minister Hosokawa, Ozawa was continually led around by the nose by the SDPJ on problems such as the consumption tax, partial opening of the rice market, and the cabinet reshuffle. What Ozawa finally decided was that he distrusted the indecisive inhabitants of Miyakezaka [location of SDPJ headquarters]. Furthermore, Ozawa was furious that Takemura, who reveres his mentor, Masaharu Gotoda, and who is also close to Takeshita, had become chummy with the SDPJ. Ozawa wanted to establish a stable government. The Hata government was a minority government, and every day was a tightrope walk. Ozawa had envisaged a conservative, centrist government.

Ozawa had some powerful go-betweens working for him and, in May, he met several times with Yasuhiro Nakasone, once his worst political enemy. He was absolutely brazen in flattering Nakasone: "The politicians I hold in esteem are Okubo Toshimichi [1830-1878; Meiji era statesman], Shigeru Yoshida [1878-1967; prime minister from 1948-54], Kakuei Tanaka, and you, Mr. Nakasone." Yesterday's enemy is today's friend. Ozawa's plan was to use the former prime minister's influence to lure Michio Watanabe out of the LDP once again, and to

throw dirt in the face of Hiroshi Mitsuzuka, already in a tight spot since some of his minions ran away from home. Then, he would pull the entire Watanabe and Mitsuzuka factions out of the LDP, rally reformist supporters of Toshiki Kaifu, thus hacking the LDP apart. He could count on a few SDPJ members to join him. Those were the rough calculations made by Ozawa, who fancies himself the Takasugi Shinsaku [1839-1867, an irrepressible politician active in the last days of the Tokugawa Shogunate] of the Heisei era.

But today, unlike the period of chaos at the end of the Tokugawa shogunate, huge armies of media representatives keep a close, day-to-day watch over politicians' activities. Ozawa's grand scheme was exposed and the political community found itself at the epicenter of a magnitude 8 earthquake. The first to make a move was Seiroku Kajiyama. This super-shrewd veteran, almost by instinct, dreamed up the idea of an LDP-SDPJ coalition. Kajiyama's former boss, Shin Kanemaru, had prayed for such an eventuality. Last July, when the LDP was trampled in the general election and was forced out of power, Kajiyama was viewed as a class-A war criminal within the LDP. Now the opportunity to clear his name had arrived. The LDP was in the same predicament as the SANDE MAINICHI [a weekly magazine; its parent company, Mainichi Shimbunsha, has been in financial difficulty for more than 10 years]. There was no command post, junior members were pulling rank on senior members, and the factions were on the point of disbanding. The party had lost its autonomy, and was barreling blindly down the path to extinction. To recover its cohesiveness and restore its former glory, it would have to recapture control of the government. If it made Tomiichi Murayama prime minister, and handed an SDPJ-dominated cabinet a travel permit, the SDPJ would be certain to acquiesce. If the LDP could bear to take in the SDPJ, its stomach's strong gastric juices would gradually neutralize the SDPJ's acerbity. Kajiyama was that confident.

As his accomplices, Kajiyama chose SDPJ member Tsuruo Yamaguchi (director of the party's General Affairs Bureau), Koken Nosaka (minister of construction), Shun Oide (minister of posts and telecommunications), and Murayama's Diet Affairs zoku. He shares many, many secrets with them. Takemura could be used to advantage behind the scenes. As expected, Yamaguchi et al. went after the carrot. In a communication sent to his followers on the 28th, during the showdown involving the selection of the Murayama cabinet, Yamaguchi wrote: 1) The LDP, SDPJ, and Sakigake [Harbinger] will form a coalition government. 2) Murayama will be prime minister and, if there is too much resistance to him, then Takemura. 3) If the hawks in the LDP desert, we may be able to rally the liberal forces, that is, the LDP constitutional protectionists, the SDPJ, Sakigake, the Japan New Party, and part of the DSP [Democratic Socialist Party]. 4) We will cooperate with the LDP in the election with the goal of weakening Shinseito [Japan Renewal Party] and Komeito.

Kajiyama and the SDPJ Diet Affairs zoku calculated that, if they passed the torch to Murayama, they stood to lose no more than 10 SDPJ votes in the election for prime minister. In that case, they could join with the LDP and Sakigake, thus assuring themselves of 260 votes, at the very least. Then, the stage was set for the runoff on 29 June, and LDP executives Kono and Mori gave their approvals. Takeshita and Yamaguchi voiced no objections. For the LDP, getting back into power came first. They saw no need for policy deliberations for the benefit of the public. Their reasons would come later, by freight. A quasi-divine, simple, obvious mission generated energy, and acquired the force of an immense river. Poverty dulls the mind. Bread is better than flowers. Ride the winning horse. These are the iron-clad rules of Japanese politics.

On 24 June, Ozawa resolved to form a conservative centrist government because he decided that neither Nakasone nor Mitchi (Michio Watanabe) had enough influence, and that he couldn't get a majority. He spent all of the previous night (10 hours) in a heated discussion with Hata at the prime minister's residence. On 23 June, Hata had met with the chairman of the SDPJ's Central Executive Committee (Murayama), to whom the words, "Prime Minister Murayama" had a good sound, and who had been asked to have his entire cabinet resign. Negotiations with the SDPJ (Secretary-General Wataru Kubo was the connection) about its return to the coalition were dragging on, with no progress. As soon as Kubo planted a seed, Nosaka would dig it out. Hata insisted on dissolving the lower house and holding a general election, and wouldn't budge an inch. Ozawa seemed to agree, and his aides released the "dissolution" story to the media. But the Japan New Party and the DSP came out in violent opposition, screaming that Kubo's proposal had been swallowed whole, and telephone calls poured in demanding "caution." Hata and Ozawa finally decided that the cabinet should resign at about 0300 on June 24. This decision was based on their fear that political reform might take a step backwards if a general election were held under the medium-sized electoral district system.

Ozawa had Sadao Yamahana [SDPJ] in mind as Hata's successor. But he was too late. The scenario for the move to back Kaifu had been created by Kaishin members Takeo Nishioka, Takeshi Noda, and Yuji Tsushima, all LDP reformists. But Kaifu wouldn't declare himself. When Ozawa was informed of this movement, he warned, "Go ahead and try it. You'd better be sure that you know what you're doing." Kaifu finally announced his candidacy three hours before the election for prime minister began. When the votes were counted, eight SDPJ members had deserted on the runoff ballot. Kajiyama and Yamaguchi had read the situation correctly. Case closed.

"If only Mr. Kaifu had declared himself a day or two earlier. But it still might not have worked. I hold no grudge against Mr. Kaifu."

This is what Ozawa said when he telephoned me on the morning of 30 June. He had been beaten by his old enemy, Kajiyama, and Kajiyama's realism.

Defeated But Unbowed

After the battle had ended and the sun had set, the political community entered into a long summer vacation. The winners became government troops, the losers insurgents. Color was restored to the faces of LDP members who, as the opposition, had been eating left-overs for a year. Visitors swarmed to the once deserted secretary general's office at party headquarters in Hirakawa-cho, Tokyo. Secretary General Mori, who had been accused of incompetence, commented, "It's just no good unless we're in control of the government."

The 11 LDP members who flaunted the party decision and voted for Kaifu in the runoff ballot in the election for prime minister were not punished. They were not forced to leave the party. On 14 July, the Party Ethics Committee ruled that all 11 would be cautioned orally and urged to obey party rules in the future. Nakasone and Mitchi Watanabe were spared punishment, partly because they had both shown remorse, and had voluntarily agreed to refrain from accepting key posts. To the LDP's executives, the problem was resolved by telling the two men, "We're not going to bed with you." As a result of this furor, both men completely lost their clout within the party. Escaping death to live in shame.

The LDP is now the "Takeshita party." Kajiyama is the leader of the shock troops that set up the Murayama government and felled the traitor, Ozawa. The Keiseikai [Takeshita faction] has already disbanded, abandoned its memory-filled quarters at the Sago Kaikan, established itself in the Shuwa TBR Building, a stone's throw away from the prime minister's residence, and raised the signboard bearing its new name, the "Heisei Research Group" [heisei kenkyukai]. Takeshita's office is on the same floor. Chairman Keizo Obuchi is now vice president of the LDP. He is serving concurrently as head of LDP election headquarters, which means that he has the power to distribute money and to determine candidates. Obuchi, with the aid of his comrade, Juro Saito, chairman of the General Assembly of the LDP Members of the House of Councillors, leads the party's top executives. Obuchi installed Ryutaro Hashimoto, the most likely candidate for the next prime minister, as minister of international trade and industry. He set up a training program for the current prime minister and the foreign and finance ministers, who are in the dark about everything. Obuchi also saw to it that Isao Maeda was appointed minister of justice, a position that oversees the judiciary and the prosecutors, and legislation relating to political reform. He installed Hiromu Nonaka as minister of home affairs and chairman of the National Public Peace [kokka kouan iin] Committee. Those who are acquainted with Nonaka know that he is in the anti-Ozawa vanguard, and that he has been a bosom

friend of Takeshita's since the days when the two men participated together in youth movements. Takeshita is behind him.

At 1400 on 2 July, two days after the Murayama cabinet took office, two black limousines stopped at the gate of the Takeshita residence. Four passengers, all Finance Ministry bureaucrats, alighted and entered the residence—Administrative Vice Minister Saito, the director of the Secretariat, and the heads of the Budget and Tax Bureaus. The bureaucrats, eager to elude the eyes of the media, did not use their official vehicles. On Monday, two days later, these same four men, the highest-ranking bureaucrats at the ministry, reappeared at the Takeshita residence, accompanied by Finance Minister Takemura.

These events are extremely significant. Japan is a nation dominated by bureaucrats. If we ignored the bureaucrats' territorial instinct, one unmatched anywhere in the world, we could call the Kasumigaseki technocrats the most powerful brain trust on earth. At the pinnacle of this brain trust stand the Finance Ministry's bureaucrats. Forget the complaints from single-celled politicians—without the cooperation of the bureaucrats, politicians could neither determine nor implement national goals. The main forces among the ministry's bureaucrats are connected to Takeshita. Takeshita served as finance minister for five terms (five years), and is devoted to the ministry, body and soul. There is no other politician in any party who has chalked up as much experience as Takeshita has in government finance, finance, taxation, and international finance. Takeshita introduced the consumption tax and survived the resulting shambles. That is why the Finance Ministry shifted back to Takeshita, rather than to anyone else, after the autocratic Ozawa fell from power. The ministry figured that Takeshita would be the controlling force behind the Murayama government. Remarkable insight.

The new finance minister, the darling of ASAHI SHIMBUN, is nothing more than a mini-Magic Monkey [Songoku, a character from *Journey to the West*, (xi you ji), a 14th-century Chinese work; Songoku makes unsuccessful attempts to compete with Buddha] dancing in the Goddess of Mercy's palm. Takemura is burning with ambition. The prime minister, ignorant of the sad state of government finances, goes along with whatever the foreign minister says, and is frantically campaigning for "the Takemura financial plan," another instance of toadying to the masses. But he'll have a hard time breaking through the wall of Finance Ministry bureaucrats in constant contact with Takeshita. Besides, the shrewd Takemura is aware of his own limitations. Ever since the days of the Hosokawa government, Takemura has consulted frequently with Takeshita, partly because he was encouraged to do so by his mentor, Masaharu Gotoda. Takemura has also endeared himself to Takeshita through his efforts to compile the budget within the year, thus infuriating Ozawa, who wanted top priority to go to political reform. Takeshita, who is a good judge of character, is clever about making Takemura look good. He is also mindful of the Finance

Ministry's interests and produced a compromise bill as easily as a spider spins a thread, and has gradually gotten Mumin Papa [Takemura, after a character from a Finnish book about trolls, whom he is said to resemble] wrapped around his little finger.

The LDP has installed the virtuous SDPJ chairman as prime minister in name only, and has regained power by achieving a solid majority. The situation within the party is quite different now. Only the Obuchi faction retains its strong unity. Since the Miyazawa faction's boss lacks leadership, Koichi Kato has acquired one of the three key party posts, chairman of the Policy Research Council, and is now in control of most of the faction members. This is YKK [Taku Yamasaki, Koichi Kato, and Junichiro Koizumi], the anti-Ozawa group. The once disgraced Kono, who accepted the positions of deputy prime minister and foreign minister, is LDP president in name only. Even if Murayama throws in the towel, Kono's power base within the party is too weak to afford him much chance of becoming the next prime minister. The Watanabe faction has already disintegrated in mid-air. The Mitsuzuka faction exists in name only. The Komoto faction is in mourning for its eldest prodigal son, Kaifu. The centrifuge went into operation, and power within the LDP converged on the party's executives. Takeshita, now seated in the *sanctum sanctorum*, will probably move cautiously toward a return to power.

Now, for the political situation this fall and thereafter: in late September, the finishing touches will be put on political reform, and the tax reform bill will be decided. The budget will be compiled within the year. If things get hot, then the Diet will be dissolved early next year, and a lower house general election will be held. If that proves impossible, there will be a move toward combined local elections in April, an upper house election in July, and a general election in late autumn. This is the command post's schedule. The rich never quarrel. Now that the LDP is part of the group that holds a majority and is therefore back in power, it will magnanimously give some rein to the parasitic SDPJ. When the inconsistencies in foreign and domestic policy are revealed to the public, the LDP will gleefully suggest that Murayama "commit suicide." The LDP will have paid its debt to the SDPJ and can then recapture the prime minister's seat. This is the track the train will run on.

A soldier must not be discouraged by one defeat. The vanquished Ozawa has not lost his spirit. He is busy attempting to unite the old coalition forces while he waits to see what happens at the SDPJ special convention scheduled for 3 September.

The SDPJ's fundamentalists, having tasted the sweetness of power, intend to make the September convention a mere formality, where everyone will agree that the Japan-U.S. Security Treaty should be retained, that the Self-Defense Forces are constitutional, that nuclear power is a good thing, and that the Japanese flag and

national anthem are acceptable. But that may be expecting too much. During the past half-century, the party has never captured the political plums, executive posts on the Diet Affairs Committee. The pure leftists from local SDPJ organizations, whose purpose in life has been opposing the Self-Defense Forces and the Japan-U.S. Security Treaty, will be descending on Tokyo in droves. They will make copies of an ASAHI SHIMBUN editorial entitled "SDPJ, Don't Lose Your Identity," read it over and over again, memorize the highlights, and then head for the convention. The party executives, who are more shameless than a brothel's old procuress, will appeal for support for the fundamentalists' "platform of convenience," but the grass roots will not swallow it whole. The convention is going to be another "Hundred Flowers Campaign" [after a 1950's Chinese slogan used in a drive to advance science, culture, and the arts]. In the end, the SDPJ will decide upon an ambiguous policy, one worded in such a way that anyone can interpret it in any way he pleases. Or, the "realists," those who are willing to accept a policy whether or not they agree with it, will win a majority, and the SDPJ will be transformed into a ruling party that operates within the system. Whatever the case, the party will probably follow the path toward the loss of autonomy and to self-destruction.

Ozawa paid a 10-day visit to the United States on 24 July at the invitation of the Press Club. He dined with his old acquaintance, former President Bush, and the two opposition bosses exchanged opinions about reverse offenses. Now that Ozawa is out of power, his chief goal is to form one unified group by the end of September. A law governing grants to political parties [seito josei ho] will be enacted this year. According to the legislation proposing it, all grants furnished to political parties must not exceed 75 percent of all political funds amassed by the end of the (calendar) year. These funds will be supplied to each party or political group from the national treasury next May or June. Therefore, Ozawa has no choice but to launch the new party by the end of September and to make a concerted effort to acquire as much funding as possible during the three-month period from October to December. Money comes before everything.

"Haya-chan, if we can form a unified party, its staff alone will number 1,000, and we'll have labor costs of 3 billion yen, based on a monthly salary of 300,000 yen."

This is what Ozawa said to me on the night of 9 July, at Komiya, a restaurant in Akasaka, Tokyo. He had consumed four carafes of sake, and was in good humor. According to his aides' less-than-reliable calculation, the new group should be able to start off with nearly 200 members.

However, Ozawa has lost his clout. He possesses neither carrot nor stick. One hears voices of dissension within his Shinseito. Ozawa lacks Kakuei's charity and compassion. Nor does he have Shin Kanemaru's flexibility or Takeshita's attentiveness. More than a few of his cronies

are rattled by this speedball traveling at 150 kilometers per hour, and resent him. The future of his loyal friend, Yuichi Ichikawa, is cloudy, too. If Komeito chooses the likes of Takenori Kanzaki and [Akihiro] Ota as its new leaders at its convention this fall, there is no guarantee that the party will join Ozawa's group. The Japan New Party and the DSP are also wavering. Will Ozawa be able to overcome these obstacles with sheer determination and aggressiveness?

Ichiro Ozawa—Unfinished Scenario

"Is the Murayama government legitimate? Are you sure it's not a coup d'etat?"

This was U.S. Ambassador Mondale's surprised reaction to the news that socialist Tomiichi Murayama had become Japan's highest-ranking leader, with the support of the LDP. It is not surprising that this intellectual American politician, who values logic and identity, was unable to make any sense out of an LDP-SDPJ coalition government. But Japanese society and the Japanese political climate haven't changed since the Jomon [c. 8,000 BC-300 BC] and Yayoi [c. 300 BC-AD 300]. Their main characteristics are collusion, interdependence, fawning, expediency, and the mutual consent of a hundred million people. After the cold war ended, the anticommunist LDP and the pro-USSR SDPJ broke down the wall between them. The two parties' joining together without any concern for how they would look or what others would think of them, and without any discussion of policy, is very typical Japanese behavior. Those involved do not fear the gods, and so feel no guilt for their inconsistencies. A healthy amount of war-weariness was also a contributing factor.

Poverty is more frightening than shame. What motivated Tomiichi Murayama to change the SDPJ's basic platform to this extent was his desire to stay in power, come what may. Japan is at the opposite pole from Germany, the originator of West European rationalism and the defender of logic. In 1959, the Social Democratic Party (SPD) of West Germany (now the Federal Republic of Germany), under the leadership of party Chairman Schumacher, disassociated itself from Marxism. It then established a platform by adopting the Godesberg Program and, in the following year, accepted NATO, the EEC, and the augmentation of the West German National Defense Forces. Six years later, the SPD formed a large coalition with the Christian Democratic Union and the Christian Social Union. The party shifted to a more realistic line on foreign and defense policy. Party members participated in exhaustive discussions, performed party procedures prudently, and held a share of national power. Japan's Socialist Party first created a preconceived reality and, since then, has taken a stance that has been slightly behind the times.

The SDPJ has crossed the Rubicon. In for a penny, in for a pound. The difference between the LDP and the SDPJ then simply becomes the difference between Murayama's eyebrows and the vertical lines on Yohei

Kono's forehead. The need for a merger of the social democratic liberals has passed. Sakigake is actually built into part of the LDP. The tripolar political reorganization argument was no more than a daydream. This curious government consisting of two opposing parties has pushed aside the tough questions and, having no purpose and no policies, producing only empty words, may last a long time. After all, it has a completely stable majority of 295 members in the lower house. Numbers means power. Oaks may fall while reeds withstand the storm. The new government fawns over the media and over women, so Murayama just might last a long time. It's easy to change the cover of a book. Hashimoto and Takemura are waiting in the wings.

Ozawa got burned because he was overconfident. His control has, for the present, come to an end. He'll take two steps forward for each retreat. He has no choice but to strive to establish a two-large-party era in Japan. It is likely to be an uphill battle until the scenario is completed. The inevitability of history.

Editorial Urges Coordination on World Economy

942A0759A Tokyo ASAHI SHIMBUN in Japanese
27 Sep 94 p 5

[Editorial: "World Economy Cannot Grow Endlessly"]

[FBIS Translated Text] It's not exactly like the "azure autumn skies," but the world economy is improving rapidly.

Among the seven principal world economies last year, Germany, France, and Italy suffered from negative growth, but they will all return to positive growth this year. The economies of the United States and Great Britain, which led the recovery, show signs of overheating.

It is reassuring to see the recovery of economies in the advanced industrialized nations which had been creeping along the bottom of a recession for over three years. The recovery is based on the fact that we have passed the worst part of the adjustments required by the global bubble economy which thrived during the latter half of the 1980's and the end to the turmoil of the cold war typified by the dismantling of the Soviet sphere and unification of East and West Germany.

This weekend's meeting of finance ministers and central bank presidents of the seven leading industrialized nations (G-7) and the subsequent series of international economic conferences appear to be headed for a long-awaited pleasant atmosphere based on the global economic recovery. However, there is no room for relaxation.

Already, worry about inflation is rearing its ugly head and interest rates are climbing worldwide. As soon as recovery from the recession was achieved, policy authorities of the respective nations have been forced to face the difficult task of prolonging the growth cycle without causing inflation.

Symbolizing the bright global outlook is the recovery of the German economy which had suffered from the huge fiscal burden accompanying the unification of East and West Germany. Supported by exports and construction investments, Germany recorded a high real growth rate of 2.8 percent over the same period last year, according to preliminary reports.

The Deutschbank's shift to a relaxed monetary policy enabled surrounding countries to lower interest rates and stimulated a Europe-wide economic recovery. Even France, which suffers from a high unemployment rate, is experiencing a steady rise in manufacturing based on exports and consumption.

One problem is that, despite stable prices, Great Britain has initiated hikes in interest rates for the first time in five years and that interest rates have begun to climb on a global basis. The United States has been forced to raise interest rates five times since February and long-term rates have climbed to the high 7-percent range. If high interest rates continue into the future, it will frustrate the improving world economy.

It will take more time to determine whether inflation fears, which have called for higher interest rates, will turn into the real thing.

The wave of worldwide progress in conversions to market economies, including China and East Europe, has caused a rise in global demand while tightening the supply and demand situation for goods on a global basis. On the other hand, lower priced industrial goods from developing nations are flooding advanced industrialized nation markets and causing price destruction. Future price trends will be governed by the stronger of the two forces.

In any event, the economies of advanced industrialized nations, which have begun to recover, cannot hope for high growth rates. The reason is that, because of the restrictions imposed by high interest rates and heavy fiscal deficit burdens, fiscal stimulus measures cannot be taken.

Movements by manufacturers to relocate factories to developing nations in search of cheap labor cause chronic unemployment and serve as a factor in alleviating pressure for higher wages. Even if domestic investment and consumption improve, the recovery will be limited.

It is of concern that the Japanese economic recovery lags that of Europe and the United States. The reason is that there is the potential that demand expansion in Europe and the United States could cause an expansion of exports and another ballooning of the trade surplus. If the recurring strong-yen, weak-dollar cycle should advance further, the economy will be adversely affected and the differential in growth rate with Europe and the United States will expand even further.

We can appreciate the government's action to delay consumption tax increases for three years to stimulate consumption, but that action alone will not be enough. Coordination with the world economy will require urgent action to place the domestic-demand stimulated economic recovery on a definite course by taking bold measures in the area of deregulation and administrative and fiscal reform.

North Korea

South's Remarks on Team Spirit Exercise Viewed

SK0510101694 Pyongyang KCNA in English 1000 GMT 5 Oct 94

["Unpardonable Bellicose Utterances"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 5 (KCNA)—MINJU CHOSON today lambastes the recent utterances of the South Korean puppet defence minister at "the National Defense Committee of the National Assembly" that whether to hold the "Team Spirit" joint military exercises for this year, or not, "will be finally decided" at the "South Korea-U.S. annual security consultative meeting" and this war game "will be staged regularly and annually" from next year.

Branding his remarks as an adventurous and provocative bellicose blast revealing the intention to keep the situation on the Korean peninsula strained and bring a nuclear holocaust to the nation, the analyst says:

The "Team Spirit" is a test nuclear and preliminary war intended to make a surprise attack on our republic. This is why not only the Korean people but also the peace-loving people of the world strongly demand a final end to the war game, decisively opposing it. In face of this trend, the United States was compelled to announce the suspension of the "Team Spirit" joint military drill for this year in the agreement reached at its New York contact with the DPRK in February.

By driveling about the "final decision" on the holding of the "Team Spirit" and its "regular holding", restless with war fever, the puppet military boss openly challenged the Korean people and the peaceloving people of the world desirous of peace on the Korean peninsula and its reunification.

Through the bellicose remarks, the Kim Yong-sam group revealed once again its color as a group of warmaniacs who do not want peace, reunification and the improvement of inter-Korean relations but seek only confrontation between the North and the South and war.

The Kim Yong-sam group, finding itself in a hopeless crisis on the edge of a cliff, is trying to find a way out in aggravating confrontation between the North and the South and bringing the danger of war. But it is a mistake.

The tighter the Kim Yong-sam group cling to confrontation and war moves, the earlier the day of its destruction.

ROK Replaces Ministers Due to 'Ruined Economy'

SK0510150194 Pyongyang Korean Central Broadcasting Network in Korean 1223 GMT 5 Oct 94

[Commentary by Kim Ho-sam: "How Can It Be Possible To Recover a Chronically Ailing Economy Simply by Replacing Small Fry?"]

[FBIS Translated Text] According to Seoul radio, traitor Kim Yong-sam discharged Chong Chae-sok from the post of deputy prime minister and minister of the Economic Planning Board, replacing him with Hong Chae-hyong, who was the finance minister. Traitor Kim Yong-sam has also replaced other ministers and assistant ministers in charge of economy.

South Korea's Chongwadae [presidential offices] claims the partial cabinet reshuffle was made because of so-called health problems with Chong Chae-sok, but this is not true. This is an inevitable consequence [piryonjogin kwigyol] resulting from the ruined economy under the Kim Yong-sam civilian regime.

As everyone knows, upon taking office as president the traitor Kim Yong-sam stated that no foreign force could be better than the nation, and that the creation of a new ROK and civilian regime was the benchmark of his national policy, blaring about it as if a certain economic miracle would be created.

However, nothing from the five-year plan for a new economy, which was presented by him after he grasped power, has been implemented. All it has left is an overall ruined economy and a poor standard of living for the people.

During the one-and-a-half year rule by the traitor Kim Yong-sam, South Korea has constantly achieved deficits in trade, which is called the axis of its economy, resulting in an imbalance between imports and exports, and an unprecedented increase in unemployment.

The biggest problem is that South Korea's economic dependence upon Japan has become greater than in any previous puppet regime. In the first half of the year, the trade deficit with Japan totalled as much as \$5,190 million, the worst ever in history. A South Korean broadcast reported that at this rate, the trade deficit will exceed \$10 billion before the end of the year.

South Korea's economic subordination is limited not only to Japan. Economic subordination to the United States is all the more extreme.

When he took office as president, the traitor Kim Yong-sam promised he would not open the rice market, which is the lifeline of the South's six million farmers, even at the risk of his presidency. However, after taking power

he threw away such a promise like an old shoe, and opened not only the rice market but the overall agrolivestock market as well. Therefore, U.S. agrolivestock products are sweeping into South Korea like a flowing tide, driving South Korea's agriculture and stockbreeding into bankruptcy.

Moreover, the Kim Yong-sam ring opened the financial markets; over 50 percent of South Korea's foreign currency market is monopolized by the United States. In the beginning, the traitor Kim Yong-sam promised he would exert all efforts to promote small and medium businesses, but by carrying out the real-name financial transaction system, small and medium businesses went bankrupt in large numbers because they were unable to circulate underground operational funds. This ultimately produced much unemployment, the highest in history.

Today in South Korea, prices have skyrocketed and the people are all the more living wretched lives. As a result, the South Korean economy has fallen into its worst situation in all fields, including the industrial, agricultural, and financial fields as well as the people's standard of living. The fundamental reason is the traitor Kim Yong-sam's nation-selling policy. As long as he is in power, the colonial subordination of the South Korean economy and its structural vulnerability [kujojok yak-chom] will not disappear.

Can the South Korean economy be (?revived) just because the traitor Kim Yong-sam changes some of the ministers and vice ministers responsible for the economy? This is not possible. Any attempt by the traitor Kim Yong-sam, who is trying to cope with South Korea's economic crisis simply by replacing a few small fry [songsaridurina myonmyong karachiwoso] is worthless.

In order for the South Korean economy to free itself from colonial subordination, to remove its structural vulnerability represented by its dependence upon Japan and the United States, and be truly rehabilitated, it must first oust the Kim Yong-sam group, which makes it its business to worship the powerful and sell out the nation. The Kim Yong-sam group's temporary remedy will drive the South Korean economy to a graver crisis.

CPRF Criticizes Kim Yong-sam's Army Day Speech

*SK0410143794 Pyongyang Korean Central
Broadcasting Network in Korean 1209 GMT 4 Oct 94*

[Statement issued by the Committee for the Peaceful Reunification of the Fatherland in Pyongyang on 4 October—read by announcer]

[FBIS Translated Text] In connection with South Korea's traitor Kim Yong-sam's recently dwelling on very provocative, absurd antireunification remarks by directly finding fault with us, the Committee for the

Peaceful Reunification of the Fatherland [CPRF] issued the following statement denouncing it:

Statement by the CPRF.

An anti-North and anticommunist commotion has been carried out frantically in South Korea recently. Amid this kind of situation, traitor Kim Yong-sam directly found fault with us and made very provocative, absurd antireunification remarks.

On 1 October, in his address at the so-called ceremony on Armed Forces Day, traitor Kim Yong-sam babbled that his goal and dream is to achieve reunification under a liberal democratic system. He also found fault with us by memorizing old tunes that we are increasing forces, are carrying out nuclear development, and are trying to achieve reunification through communization. Moreover, he even made a very wicked and challenging assertion, viciously vilifying our dignified political system.

The successive South Korean ruling bunch were running amok in the anticommunist confrontation, but there was no ruling bunch like traitor Kim Yong-sam who daringly even viciously slandered our system, openly (?crying) for reunification under the liberal democratic system.

Such an absurd remark by traitor Kim Yong-sam clearly reveals that he is the most stupid and criminal national traitor and bourgeois maniac among the successive ruling bunch in South Korea.

Challenge and oppressive maneuvers by the combined forces of the imperialists are being endlessly committed. Even under this situation, our socialism is firmly moving toward the road of self-dependence, self-support, and self-reliant defense and pressing hard on the heels of the enemy, while manifesting the might of the single-hearted unity of the leader, the party, and the masses. Therefore, there is no need to further explain that beyond all comparison our socialism is more superior and mighty than South Korea's liberal democracy, which is trampling the national sovereign rights under the colonial domination of the U.S. imperialists and in which the people's human rights and democracy are being infringed upon through fascist oppression.

Socialism of our own style—our life and living—which our people chose and enhanced, is the most advanced and democratic system in the world, but we have no will to force it upon South Korea. Also, we are consistently adhering to the fair and square, patriotic position of realizing the fatherland's reunification through the method of uniting the North and South and forming one confederal state, based on allowing the different ideologies and systems of the North and South, leaving them as they are.

Nevertheless, traitor Kim Yong-sam is daringly openly disclosing that reunification be achieved under the liberal democratic system. This is rejecting [pujong] dialogue and negotiations between the North and South,

and is nothing more than proclaiming that it opposes reunification through peaceful means.

Rejecting dialogue indeed means full-scale confrontation with us, and confrontation indeed means war [taehwaui pujongun kot uriwau chonmyondaegyolul uimihamyo taegyolun kot chonjaengul uimihanda].

Even though such a person as puppet Kim Yong-sam, whom no compatriot recognizes either as a human being or as a fellow countryman, dares to generally reject dialogue and stir up an overall confrontation, no one would listen to him [onkyorega inganurodo tongjogurodo injonghaji annun kimyongsam koeroe ttawiga kamhi taehwarul chonmyon pujonghago taegy-
orul chonmyon kochwihayo nasondago hayo kue kwirul kiuril saramun amudo optta].

It is nonsense for the puppet to discuss the reunification issue concerning the nation's basic interests, standing from his position of loathing, in which he has failed to keep the sovereignty, the life of the nation, and is running wild, engaged in antinational acts, following outside forces. Also it does not befit an ill-shaped traitor [panyokchaui molgoredo oulji annun kosida].

An old proverb says: "A dog can make nothing but dog sounds [kaesori]." Traitor Kim Yong-sam dared to make utterances regarding reunification under a liberal democratic system, and this is also a silly talk [chamkkodaeg-atun sori] that can be made only by a person who is like a dog [kaegattun cha].

As far as the people of the world know, the so-called liberal democracy of South Korea is a synonym for an antinational ruling system, which curbs the democratic development of the South Korean society, and which is predominated by fascism, the power of force, murders, and plundering. Also, it is nothing but a decoration [changsingmul] of the immoral, depraved, inhumane, and savage rule that destroys even humanity, moral, and etiquette with guns and swords.

In South Korea, under the cloak of liberal democracy, people are forced to be destined as colonial slaves; their basic democratic freedom, and even the right to live, are harshly infringed upon; and the decorum of expressing condolences over a fellow countryman's death is the subject of armed oppression.

Because traitor Kim Yong-sam is indulging in a fancy to extend this antipeople ruling system to the northern half of our Republic, confrontation, not dialogue, is being deepened on the Korean peninsula, and the danger of war—not peace—cannot be removed even for a moment.

We can never assume an indifferent attitude toward traitor Kim Yong-sam's declaration of an overall confrontation with us by daringly calling for reunification under a liberal democratic system, and will make him pay dearly for that.

Traitor Kim Yong-sam's provocative utterances to officers and men of the puppet army only show signs of the downfall of a futureless person who is faced with an overall ruin due to heinous crimes he committed at home and abroad.

Since traitor Kim Yong-sam himself has denied his position as our dialogue partner and has generally rejected peaceful reunification, there is no alternative breakthrough [kimyongsam yoktoga uriui taehwa sangdaeimul susuro pujonghago pyonghwa tongilto chonmyon pujonghan isang ije tarun chulloran optta].

Traitor Kim Yong-sam, a target of an overthrow by the whole nation, should be removed from the nation as soon as possible. If puppet Kim Yong-sam does not step down from power by himself, he will be overthrown by the (?struggling) South Korean people, without fail.

We express the firm belief that the patriotic South Korean youths, students, and people will carry out a bolder struggle to sternly remove the traitorous group, to realize independence and democracy for society, and to hasten the reunification of the fatherland.

[Dated] 4 October 1994, Pyongyang.

KCNA Version of Statement

SK0410155294 *Pyongyang KCNA in English 1529*
GMT 4 Oct 94

["A Traitor Kim Yong-sam Must Be Immediately Removed From the Nation; Statement of CPRF"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 4 (KCNA)—We will not overlook the fact that the traitor Kim Yong-sam declared a total showdown with the North, crying for "unification under the liberal democratic system," and will make him pay dearly for it.

Since the traitor himself denied his being the dialogue partner of the North and wholly rejected peaceful reunification, there is no other choice.

The traitor, who has become the target of overthrow by the whole nation, must be removed from the nation as early as possible.

The Committee for the Peaceful Reunification of the Fatherland [CPRF] says this in a statement released today denouncing the traitor Kim Yong-sam for having cried for "unification under the liberal democratic system" and slandered the system of the North at "the ceremony on ROK Army Day" on October 1.

His outbursts showed that he is the most stupid and criminal traitor and an insane separatist among the successive rulers of South Korea, the statement says, and continues:

His open talk about "unification under the liberal democratic system" is nothing but a declaration that he

refuses inter-Korean dialogue and negotiation and opposes reunification by peaceful means.

The refusal of dialogue immediately means a total showdown with the North and showdown means a war.

No matter how desperately Kim Yong-sam the puppet whom none of the fellow countrymen regard as a human being or a fellow countryman, may incite a total showdown, wholly rejecting dialogue, nobody will lend an ear to him.

As the saying goes, that which comes of a dog will bark.

The traitor Kim Yong-sam's outcry for "unification under the liberal democratic system" is a jargon that can be made only by a dog-like fellow.

The world people know that "liberal democracy" of South Korea is a pronoun of the anti-national ruling system under which the democratic development of South Korean society is deterred and fascism, strong arm, murder and plunder hold sway. It is no more than an ornament of the inhuman savage and corrupt rule under which human ethics, morality and etiquette are stifled at the point of the bayonet.

In South Korea, the people are subjected to colonial slavery, their elementary democratic liberties and vital rights are ruthlessly violated and even the courtesy of expression of condolences on the misfortune of fellow countrymen is made a target of suppression behind the curtain of "liberal democracy."

The traitor Kim Yong-sam dreams of extending this anti-popular ruling system to the northern half of the country. That is why confrontation is growing acute and the danger of war is constantly present on the Korean peninsula, contrary to dialogue and peace.

The traitor's provocative outburst against the DPRK before officers and men of the puppet army only shows the symptoms of the end of a doomed mortal who has been driven into a crisis of total destruction for the thrice-cursed crimes he committed at home and abroad.

If Kim Yong-sam the puppet does not step down of his own accord, he will certainly be overthrown by the fighting people of South Korea.

South Urged To Allow Attendees at Tomb Ceremony

SK0510055694 Pyongyang KCNA in English 0523
GMT 5 Oct 94

["Northern Trip Must Not Be Blocked"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 5 (KCNA)—The South Korean authorities must not bar the northern trip of delegates of South Korean political parties and organisations and public figures who want to participate in the ceremony for the completion of the

reconstruction of the tomb of King Tangun, urges NODONG SINMUN in a commentary today.

The analyst says:

The participation of compatriots from South Korea and overseas in such a national auspicious event as the ceremony for the completion of the reconstruction of the tomb of King Tangun together with people of the North will make a good occasion in demonstrating to the world the long history and the homogeneity of the Korean nation which has inherited the same blood, the same mother tongue and the same cultural tradition in the same territory for 5,000 years and in promoting reconciliation and unity of the 70 million fellow countrymen and national reunification.

We have made all preparations to receive the South Korean personages with warm compatriotic feelings and are postponing the date of the ceremony, waiting for their arrival.

To participate in the ceremony for the completion of the reconstruction of the tomb of King Tangun, the ancestral father of the nation, is rather a matter of national idea and custom than a matter of politics and system.

The South Korean authorities at "the national foundation day ceremony" said that the people of the North and South should get united into one as they are fellow countrymen of the same blood. If it is true, they should not block the visit to the North by delegates of South Korean political parties and organisations and figures of various strata.

To talk about "the same blood" and "fellow countrymen", not allowing participation in the afore-said ceremony, cannot be construed otherwise than hypocrisy.

If the South Korean authorities interfere in the visit to the ancestral father of the nation by South Korean personages and politicize it and obstruct the ceremony, an auspicious event common to the nation, they will commit another never-to-be-condoned crime against the nation. If they persistently bar the northern trip of the South Korean figures, it will reveal again to the world that "dialogue" and "unification" peddled by them are all a sheer lie and they will be condemned by all the fellow countrymen as arch traitors ignorant of national history and the ancestor.

Overseas Koreans Criticize ROK

SK0410160194 Pyongyang KCNA in English 1541
GMT 4 Oct 94

[FBIS Transcribed Text] Pyongyang, October 4 (KCNA)—Overseas Koreans staying in the socialist homeland to attend the ceremony for the completion of the reconstruction of the tomb of King Tangun today told reporters they warmly hope that South Korean personages will participate in the auspicious event of the nation.

Jo Tae-song, chairman of the Washington Federation for National Reunification, said:

"The ceremony for the completion of the reconstruction of the tomb of King Tangun is a common festivity of the nation which will demonstrate the dignity of the nation with the father of our nation discovered.

"Respected President Kim Il-song and dear Mr. Kim Chong-il are the greatest and most ardent patriots produced by our nation of Tangun. Otherwise, they would not have discovered the father of the nation, tracing the history of 5,000 years, and exalted the national history so highly.

"In his lifetime, President Kim Il-song discovered Tangun and proved scientifically that Korea has a history of 5,000 years. Mr. Kim Chong-il has carried into reality the president's intention of promoting national unity and reconciliation and widely demonstrating the prestige of the nation with a history of 5,000 years, through the successful reconstruction of the tomb of King Tangun.

"So, we overseas Koreans have come to the land of ancestry across oceans, our hearts overflowing with joy.

"However, those in South Korea who must participate in the ceremony have not come yet, though they received invitations from the DPRK. I cannot but deplore this fact as a fellow countryman.

"This shows once again the vicious nature of the 'civilian government' of Kim Yong-sam.

"If the Kim Yong-sam 'government' commits a heinous crime against the nation this time again by blocking the northern trip of people, the crime will be indelible forever."

Han Mu-hak, adviser to the North America-Korea Friendship Association, said:

"President Kim Il-song who discovered the father of the nation is a peerless patriot and the greatest of the great men.

"President Kim Il-song discovered the grandfather of the nation. Is there anything happier than this? Whatever the relations between the North and the South, they must get together on this occasion.

"But, the South Korean authorities are senseless. They have already committed a heinous crime by failing to mourn the death of President Kim Il-song, the father of the nation. They are now committing another heinous crime against the nation by blocking the northern trip of personages of various circles of South Korea.

"The DPRK Government is postponing the ceremony to provide them with an opportunity of atoning for the crime, but they are missing this great opportunity. They are really poor wretches.

"The overseas Koreans are earnestly hoping for the arrival of South Korean personages and will wait for it till the moment of the ceremony.

"The South Korean authorities should not block the northern trip of personages of various circles."

Kim Yi-bak, chairman of the Association of Korean Literary Men in Japan, said:

"The South Korean authorities must contribute to promoting reconciliation and unity of the entire Korean nation in the North, the South and overseas and achieving great national unity with the ceremony for the completion of the reconstruction of the tomb of King Tangun as an occasion.

"The North, having discovered the remains of Tangun, the father of our Korean nation, and rebuilt his tomb, invited many people in the South and overseas to the ceremony for its completion.

"In response to this, many personages in South Korea expressed their willingness to participate in the ceremony, but have failed to come yet because the South Korean authorities do not permit it. This clearly shows that the South Korean rulers' talk about 'national reconciliation' and 'unity' is an empty talk.

"In the past, the South Korean rulers blindly opposed whatever proposal of the North for something to be done jointly by the North and the South, on the pretext of 'political nature.' Now they must change this wrong mode of politics before it is too late."

Statements Distributed as UNSC Document

SK0510101894 Pyongyang KCNA in English 1002 GMT 5 Oct 94

[FBIS Transcribed Text] Pyongyang, October 5 (KCNA)—The September 25 statement and the September 24 answer of the spokesman for the Foreign Ministry of the Democratic People's Republic of Korea, were distributed as an official document S/1994/1098 of the United Nations Security Council [UNSC] on September 26.

The statement denounced the so-called "resolution" adopted by the International Atomic Energy Agency at its general meeting, again taking issue with the DPRK over the nuclear inspection.

The answer was given to a question put by KCNA concerning the fact that the hardline conservative forces in the U.S. military were undisguisedly intensifying military provocations against the DPRK, timing to coincide with the second session of the third-round DPRK-U.S. talks.

Jiang Zemin Greets Kim Chong-il on Anniversary

SK0410234894 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 4 Oct 94

[FBIS Translated Text] Comrade Jiang Zemin, general secretary of the Central Committee of the Chinese Communist Party [CPC], president of the PRC, and

chairman of the Central Military Commission of the PRC, has sent a congratulatory message to the dear leader of our party and our people Comrade Kim Chong-il, chairman of the National Defense Committee of the DPRK and supreme commander of the Korean People's Army [KPA], on the occasion of the 45th anniversary of the establishment of diplomatic relations between Korea and China.

The message follows:

Pyongyang:

Comrade Kim Chong-il, chairman of the National Defense Committee of the DPRK and supreme commander of the KPA:

Gladly marking the 45th anniversary of the establishment of diplomatic relations between China and Korea, I respectfully and warmly congratulate you, and through you, the Korean Government and the Korean people.

The establishment of diplomatic relations between China and Korea was a historic event carrying great significance [chungyohan uiui] in the history of our two countries' relations. Since then, the relationship of friendship and cooperation between the two countries has set out on a road of wholesale [chonmyonjokin] development.

Between the two countries over the past 45 years, the good-will exchange in various sectors—political, economic, and cultural—has increased with each passing day; and cooperation has been endlessly strengthened and expanded. This has vigorously spurred on the socialist cause of the two countries.

The two countries of China and Korea have supported, encouraged, and closely cooperated with each other in the international arena; and they have actively contributed to the peace of Asia and the world.

I believe that the great Chinese-Korean friendship, which has been deeply rooted in the hearts of the people of the two countries, will surely be handed down generation after generation, and will shine forever.

I wholeheartedly wish for achievement of even newer and greater success by the brotherly Korean people in upholding President Kim Il-song's lifetime wishes in the cause of socialist construction and in the struggle for the independent and peaceful reunification, while firmly rallying around the Central Committee of the Workers' Party of Korea which you head [subanurohanun].

[Signed] Jiang Zemin, General Secretary of the Central Committee of the CPC, President of the PRC, and Chairman of the Central Military Commission of the PRC

[Dated] 5 October, 1994, Beijing

KCNA Version of 5 Oct Message

SK0510102894 Pyongyang KCNA in English 1015
GMT 5 Oct 94

[FBIS Transcribed Text] Pyongyang, October 5 (KCNA)—The dear leader of our party and our people

Comrade Kim Chong-il received a message of greetings from Comrade Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, president of the People's Republic of China and chairman of the Central Military Commission of the People's Republic of China, on the 45th anniversary of the establishment of diplomatic relations between Korea and China.

The message dated October 5 says the establishment of diplomatic ties between China and Korea was a historic event of great importance in the history of relationship between the two countries.

Over the past 45 years friendship visits have been increased and cooperation constantly expanded in depth in different fields including politics, the economy and culture between the two countries, which has greatly accelerated the cause of socialism in the two countries, the message says.

"China and Korea have supported and closely cooperated with each other in the international arena and positively contributed to peace in Asia and the world," it says, expressing the belief that the great Sino-Korean friendship deeply rooted in the hearts of the two peoples will be handed down through generations and shed rays forever.

The message sincerely hopes that the fraternal Korean people will make a new, greater success in the cause of socialist construction and the efforts for the independent and peaceful reunification, closely rallied around the Central Committee of the Workers' Party of Korea headed by Comrade Kim Chong-il, true to the intentions of President Kim Il-song.

Kim Chong-il Sends Message to Jiang Zemin

SK0510133994 Pyongyang Korean Central
Broadcasting Network in Korean 1200 GMT 5 Oct 94

[FBIS Translated Text] Comrade Kim Chong-il, the dear leader of our party and our people, sent a congratulatory message to Comrade Jiang Zemin, general secretary of the CPC Central Committee, president of the PRC, and chairman of the Central Military Commission of the PRC, on the 45th anniversary of the establishment of diplomatic relations between the DPRK and the PRC.

The congratulatory message is as follows:

Beijing.

To Comrade Jiang Zemin, general secretary of the CPC Central Committee, president of the PRC, and chairman of the Central Military Commission of the PRC.

I send the most enthusiastic congratulations to you, the CPC Central Committee, the PRC Government, and the Chinese people, on the 45th anniversary of the establishment of diplomatic relations between the DPRK and the PRC.

The establishment of diplomatic relations between the two countries of the DPRK and the PRC was an epoch-making event which paved the way for developing the DPRK-PRC friendship, which had long historical roots, to a new and higher stage. The people of our two countries have consistently expanded and developed friendly and cooperative relations in various fields over the past 45 years, thus demonstrating its vitality.

The people of the two countries fought together, shedding blood as they opposed the common enemy, and have supported and cooperated with each other in the struggle to build a new society and socialism.

The traditional DPRK-PRC friendship, which was sealed in blood and has overcome all kinds of historical trials, continues to develop under the complex situation today. We believe the friendly and cooperative relations between the DPRK and the PRC will grow stronger and will develop through generations by the consistent desire and joint efforts of the people of the two countries.

Through this opportunity, I wholeheartedly wish that under the leadership of the CPC with you at the core, the entire country remains stable and united so that the Chinese people can achieve greater results in the struggle to build socialism with Chinese characteristics, reunify the entire country, and fulfill the decisions of the 14th National Congress of the CPC.

[Signed] Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army
[Dated] 5 October 1994, Pyongyang

KCNA Version of Greetings Message

SK0510103594 Pyongyang KCNA in English 1021
GMT 5 Oct 94

[FBIS Transcribed Text] Pyongyang, October 5 (KCNA)—Comrade Kim Chong-il, the dear leader of our party and our people, on October 5 sent a message of greetings to Comrade Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, president of the People's Republic of China (PRC) and chairman of the Central Military Commission of PRC, on the 45th anniversary of the establishment of diplomatic relations between the DPRK and China.

Noting that the establishment of diplomatic relations between the two countries was an epochal event which paved the way for developing Korea-China friendship with deep historical roots to a new, higher stage, Comrade Kim Chong-il in the message said the two peoples have consistently expanded and developed the friendly and cooperative relations in various fields over the past 45 years, demonstrating its vitality.

Noting that the traditional Korea-China friendship which was sealed in blood and has withstood all trials of

history continues developing under the complex situation today, he expressed the belief that the friendly and cooperative relations between the two countries would grow stronger and develop through generations by the common desire and joint efforts of the two peoples.

He wholeheartedly wished the Chinese people greater success in the efforts to build socialism with Chinese characteristics, reunify the whole country and fulfill the decisions of the 14th National Congress of the Communist Party of China, the whole country united singleheartedly under the leadership of the party with Comrade Jiang Zemin at its core.

Japan's PKO Denounced as 'Overseas Expansion'

SK0510125194 Pyongyang Korean Central
Broadcasting Network in Korean 1222 GMT 3 Oct 94

[Commentary by Kim Ho-sam: "The Dangerous Move of Overseas Expansion"]

[FBIS Translated Text] According to foreign media reports, the first 100-member contingent of Japan's Self-Defense Force (SDF) left Narita Airport for Zaire on 30 September, according to the so-called law on cooperation in UN peacekeeping operations (PKO).

Reports say the number of Self-Defense Force contingent members will increase to 480, with 290 being from the Ground Self-Defense Force and 180 from the Air Self-Defense Force, plus 10 SDF officers. They will reportedly carry out the so-called PKO in Zaire and Kenya, and will help the so-called African refugees.

This is a part of Japan's maneuvering toward a phased expansion of the overseas dispatch of its troops [ilbonui haeoe pabyong chaektongui kyedansik hwaktae chochi]; it is a new and very dangerous military move.

Sending off the first contingent of Self-Defense Forces, the director general of Japan's Defense Agency firmly determined that Japan will continue the work of relieving refugees in the future.

As everyone knows, today, when the Cold War has ended and the balance of power has been broken in the international arena, Japanese militarists are openly pursuing their overseas military advance [kunsajogin haeoe chin-chul] under the pretext of cooperating in UN peacekeeping operations. Thus, they consider it imminent to dispatch Self-Defense Forces overseas.

The Japanese law adopted following the world war curbs Japan's participation in war, and does not allow Japan's armed forces to advance overseas. Above all, what is necessary for Japanese reactionaries under such restraints is to create space for a military slither abroad [kunsajoguro haeoe-e kionagalsu innun kuron kongganul manduronago] and to find a ruse to justify it. The ruse is the overseas dispatch of the Self-Defense Force for so-called contributions to world peace.

At the UN General Assembly held this year, the Japanese foreign minister repeatedly reiterated that Japan is resolved to contribute to the peace, security, and prosperity of the world. The very cunning Japanese reactionaries have created an atmosphere for the overseas dispatch of the Self-Defense Force in this way, and are trying to test their overseas operational capability as well as lay the foundation for their overseas aggression.

With this wicked purpose, the Japanese reactionaries have already dispatched Self-Defense Forces to many Southeast Asian and African nations. The recent dispatch of the first 100-member contingent of the Self-Defense Forces is aimed at the same purpose described above.

Japanese reactionaries have held exercises, with the primary emphasis on increasing the Self-Defense Force's mobility, in a bid to establish their dominion not only in the Asia-Pacific region, but all over the world. They have also developed equipment for long-range attacks and for use in prolonged conflicts. Based on this wicked aim, for a long time they have tried to slither to many countries and regions in the world.

In conclusion, the ultimate goal of the Japanese reactionaries is that Japan will play a role as an international police force and an international military police force by becoming both a military and nuclear power. What matters here is that, as the days go by, they become all the more high-handed, covet a broader area of the world, and cast greedy eyes upon it.

The Japan Defense Agency recently released its "1993 Annual Report on Defense Research" which reveals Japan's plans to make a western area of the Pacific, an area far larger than the Greater East Asia Co-prosperity Sphere, into a Japan-sharing defense territory [ilbonui pangwi pundam pomwi]. This well shows how far Japan's desire for overseas expansion has reached.

As everyone knows, with an invariable desire Japan has tried to become the leader of the Asia-Pacific region and build a colonial empire; further, it is trying to rule other regions of the world. Herein is the danger of an overseas invasion by the revived and rearmed Japanese reactionaries.

It is no accident that many Asian countries keep a strict guard on Japan's current militarism. It is an anachronistic way of thinking for Japan to follow a worthless course, harboring a dream of overseas invasion. As history shows, Japan's militarism is linked to its ruin.

If Japan continues to prepare stepping stones for an overseas invasion, under the pretext of so-called maintaining the peace and providing international contributions, it will face greater denunciations from people all over the world.

Workers' Party Hosts Reception for Russians

SK0410060894 Pyongyang KCNA in English 0452
GMT 4 Oct 94

[FBIS Transcribed Text] Pyongyang, October 4 (KCNA)—The Central Committee of the Workers' Party of Korea gave a reception in honor of the visiting delegation of the Russian Liberal Democratic Party headed by its Chairman V.V. Zhirinovskiy at the Mokran House Monday.

Speaking there, Secretary of the WPK Central Committee Hwang Chang-yop noted that the Russian Liberal Democratic Party, young as it is, has conducted energetic political activities among the masses with the idea of defending the interests of the motherland and the Russian people, as the largest party in the parliament, and congratulated it on its significant achievements in this course.

True patriotism always enjoys support of the people, and it has nothing to do with nationalism or national chauvinism which incites split and antagonism among nations, he said.

The secretary wished the Russian Liberal Democratic Party new successes in its future activities to strengthen itself and win the support of the masses of broad segments.

He said that the two parties, though they are active under different conditions and circumstances, are neighbours, their countries sharing the same border, and they will develop relations and exchange in the future, too, on the basis of mutual respect and equality and the commonness in defending independence, and this will conform to the interests of the two parties and peoples of the two countries.

Speaking next, chairman of the Russian Liberal Democratic Party V.V. Zhirinovskiy expressed deep condolences on the passing away of the great leader Comrade Kim Il-song.

He said the friendly relations of a long history between the two countries were established through the struggle against Japanese imperialism, recalling that the anti-Japanese guerillas organized and commanded by Comrade Kim Il-song actively assisted the Soviet Army in the Halxinhe battle.

"The world is now in the grip of unrest and disorder, but Korea is advancing in close unity based on self-reliance and its own political philosophy, thus becoming a country envied even by Russia, which was once the strongest power, and an oasis for the world," the chairman noted.

He said the dear leader Comrade Kim Chong-il, the wise successor to a great cause, will never allow the influence of the west that allured Russia.

He said that, when he visited the Mangyongdae School Children's Palace, he saw today and tomorrow of Korea in the happy smiles of lovely children. "We have come to your country with a large delegation because what is wanted by the Russian people closely resembles the reality of Korea," Zhirinovskiy stated.

"I believe," he said, "the Democratic People's Republic of Korea and the Workers' Party of Korea will consolidate the enormous achievements they have made in the past period and register greater successes in the future."

Declaring that the friendly and cooperative relations between the two countries would develop to a higher stage, Zhirinovskiy said the century-old desire of the Korean people to pull down the barrier to reunification without any outside interference would certainly be realized.

He expressed the belief that Korea under wise guidance of the Workers' Party of Korea and the dear leader Comrade Kim Chong-il, would further develop and record greater achievements in the future.

Ugandan, Kazakh, Thai Delegations Arrive

SK0410154794 Pyongyang KCNA in English 1513 GMT 4 Oct 94

[FBIS Transcribed Text] Pyongyang, October 4 (KCNA)—A delegation of the National Resistance Movement of Uganda led by its Vice-chairman Moses Kigongo and a delegation of the Kazakh Supreme Soviet headed by its Vice-Chairman K.S. Sultanov arrived in Pyongyang today.

A delegation of Sri Nakharinwirot University of Thailand headed by its Vice-president Somsuke Terapigitttra arrived here on October 3.

Talks Held Between WPK, Ugandan Delegation

SK0510104494 Pyongyang KCNA in English 1029 GMT 5 Oct 94

[FBIS Transcribed Text] Pyongyang, October 5 (KCNA)—Talks between delegations of the Workers' Party of Korea [WPK] and the National Resistance Movement of Uganda was held in Pyongyang today.

Present at the talks on the Korean side were Secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop, vice-director of a department of the WPK Central Committee Pak Kyong-Son and officials concerned, and on the opposite side were the members of the delegation led by its Vice-Chairman Moses Kigongo [spelling of name as received].

At the talks, the sides informed each other of their activities and exchanged views on the development of friendly relations between the two parties and a series of matters of common concern.

The head of the Ugandan delegation conveyed deep condolences of the Ugandan people and President

Yoweri Kaguta Museveni to the Korean people and the Workers' Party of Korea on the death of the great leader Comrade Kim Il-song.

The death of the great leader Comrade Kim Il-song is a big loss not only of the Korean people but also the revolutionary people the world over, he said.

Saying that Comrade Kim Il-song will be immortal in the hearts of the Korean people and the Ugandan people, he stressed that his immortal exploits for the accomplishment of the cause of humankind for independence will shine forever.

He could not restrain admiration and yearning for the fact that the Korean people are united and harmonious like a family around the dear leader Comrade Kim Chong-il, he said, adding: I am convinced that the Korean people, under the wise guidance of the dear leader, will change the sorrow over the death of Comrade Kim Il-song, the great sun and leader of the present times into strength and courage and register greater success in socialist construction.

The Korean people led by Comrade Kim Chong-il, the great sun of the nation, will win a victory in the revolutionary struggle. He is faith and will and mental pillar of the Korean people.

Expressing firm solidarity for the Korean people's struggle to reunify the country, the head of the Ugandan delegation said that the national resistance movement of Uganda fully supports the 10-Point Programme of the Great Unity of the Whole Nation advanced by the great leader Comrade Kim Il-song.

Thai Official Says DPRK Wants To Join ARF

BK0510053094 Bangkok THE NATION in English 5 Oct 94 p A3

[FBIS Transcribed Text] North Korea has reiterated its interest in joining the Asean Regional Forum (ARF), a platform which could address and assist the unification of the two Koreas.

The desire was expressed during a five-day official visit to Pyongyang by a four-member Thai Foreign Ministry delegation led by Don Pramutwinai, director-general of East Asian Affairs.

Don met Deputy Prime Minister and Foreign Minister Kim Yong Nam and was given a welcoming dinner by the North Korean Foreign Ministry.

Don said he informed the North Korean leaders that Pyongyang must wait for a decision because the ARF is a new organization which many countries have expressed interest in joining.

The ARF wants all countries in Asia and the Pacific region to become members and will consider new applicants when it is better established, he added. For the

time being, all 18 current members are related in one way or another with the Association of Southeast Asian Nations, Don said.

The Thai team briefed Pyongyang on the inception and development of the ARF and its first meeting in July in Bangkok, at which foreign ministers from 18 countries discussed security issues in the region in a friendly and informal atmosphere.

"For the time being, the group won't increase its membership. It's yet to consider new members," Don said.

He added that North Korea's desire to be part of ARF has to do with security and the ongoing efforts to unify the two Koreas.

"North Korea would certainly want the ARF to address unification."

It was Don's second visit to North Korea, and the third by a Thai delegation.

Don said his trip has strengthened bilateral ties between Thailand and North Korea and believes it represents a "political message" that North Korea is not "a problem-plagued country we shouldn't associate with".

Thailand, he said, has no role in the peace efforts concerning the Korean peninsula because it's an internal matter for the two countries, but Bangkok stands ready to assist the unification process in any way possible.

Daily Urges Increased Economic Efforts

SK0410125094 Pyongyang NODONG SINMUN in Korean 30 Aug 94 p 1

[Editorial: "Let Us Effect Revolutionary Upsurges in Socialist Economic Construction in Hearty Response to the Great Leader Comrade Kim Il-song's Behest"]

[FBIS Translated Text] Today, our people have changed sorrow into strength and courage and have unanimously risen up to vigorously push ahead with the general onward movement of the socialism of our own style.

All party members and working people should effect a new upsurge in socialist economic construction by thoroughly implementing the teachings the respected and beloved Comrade Kim Il-song gave during his lifetime, thereby consummating to the end the *chuche* revolutionary cause to keep their oath of faith and loyalty made before history.

The dear leader Comrade Kim Chong-il has taught: The great leader Comrade Kim Il-song's teaching is a law and a supreme order. It is the most glorious task and the greatest mission which we must carry out to the end.

Effecting a new revolutionary upsurge in socialist economic construction is the respected and beloved Comrade Kim Il-song's lifetime wish.

The respected and beloved leader Comrade Kim Il-song, who devoted his whole life to our fatherland's prosperity and development and our people's freedom and happiness, elucidated in his teachings tasks arising on the course of thoroughly realizing the party's revolutionary economic strategy. The great leader's teaching is a programmatic guideline in brilliantly realizing the historic cause of national reunification and the complete victory of socialism, and in further strengthening the might of socialism of our own style.

With the firm resolve to complete the *chuche* revolutionary cause to the end by strictly carrying through the respected and beloved leader's teaching, the dear leader Comrade Kim Chong-il is leading at the forefront the general onward movement of socialism of our own style. Herein lies the dear comrade leader's noble intent to brilliantly realize the lifetime wish of the respected and beloved leader who was so concerned about the people's happy and prosperous life.

Bearing in mind the party's intentions and strictly carrying out the teachings the respected and beloved leader left during his lifetime, they should fully display to the whole world the mettle of the revolutionary people who are brilliantly completing the *chuche* cause, closely united around the dear comrade leader.

We, above all, should highly display the spirit of absoluteness and unconditionality in carrying forth the firm stance and view on the teachings the respected and beloved leader Comrade Kim Il-song gave.

As the respected and beloved leader's teaching was our revolution's lifeline in the past, it is and will be an invincible banner for tirelessly advancing the socialism of our own style and our fatherland's prosperity and development.

Cherishing deep in our minds the firm faith that the great leader is always with us, all party members and working people should do all tasks and carry on their life in conformity with the great leader's lifetime teachings.

Particularly, functionaries, party members, and working people who are in charge of electricity, coal, rail transport, cement, iron and steel, chemical fertilizers, and shipbuilding should stand at the forefront to accomplish the great leader's teaching. On the basis of his deep insight into the significance of developing the rail transport and the metal, power, and coal industries; and increasing the production of cement, and chemical fertilizer, and the shipbuilding in fully carrying out the party's revolutionary economic strategy, the respected and beloved leader gave valuable teachings which would serve as guidelines in these sectors. Functionaries and workers should bear in mind that the overall speed of the our country's socialist economic construction depends on how they struggle, and they should redouble their efforts to carry out the great leader's teaching.

Not forgetting for a moment their heavy responsibility of being pilots of the national economy, functionaries,

party members, and working people should boost the production of electricity and coal to a higher level and wage a positive struggle to transport more cargo to socialist construction sites more quickly. In addition, functionaries and working people in charge of producing chemical fertilizers and cement should readjust, reinforce, and fully operate chemical fertilizers and cement plants, thereby greatly increasing production. Functionaries and working people in charge of producing iron and steel and shipbuilding should mobilize to the fullest all the productive potential, turning out more molten iron and building modern cargo ships on a large scale. Thereby, they should effect a breakthrough in the struggle to carry out the party's revolutionary economic strategy.

In order to effect a new revolutionary upsurge in socialist economic construction by thoroughly implementing the respected and beloved leader Comrade Kim Il-song's lifetime teaching, all party members and working people should highly display the revolutionary spirit of self-reliance and hard struggle.

Self-reliance is an immortal, glorious tradition of our revolution and a banner of victory. When we struggle staunchly with the revolutionary spirit of self-reliance and fortitude implanted by the respected and beloved leader there will be neither difficulties nor fortress that we cannot break through.

All party members and working people should effect great upsurges in all sectors of socialist construction by displaying once again the same spirit and mettle with which they rehabilitated the economy with an empty hand in the post-war period, and, thus, effected a great upsurge of chollima on this land by seeking out more of what is in short supply and manufacturing what is nonexistent.

Our working class should unconditionally fulfill its assigned national economic plans by the day, by the 10-day period, and by the month with the matchless courage bestowed by the party and with firm position and viewpoint that we will do any task with our own strength. The agricultural working people, too, should do all farm work in a responsible manner by displaying the same spirit they displayed in their struggle for increasing provisions during the past war. Thus, they should further increase grain production to which the great leader paid deep attention during his lifetime. At the same time, scientists and technicians should surmount all difficulties and barriers with their own strength and, thus, should successfully solve urgent scientific and technological problems arising in making the national economy chuche-oriented, modernized, and scientific.

Those who produce more and who preserve more are precisely patriots and genuine loyalists. All sectors and units of the national economy should produce more by mobilizing all possible inner reserves and with existing labor, facilities, and materials. They should also treasure

and preserve even one drop of fuel, one watt of electricity, one piece of steel material, and one grain of crop.

Fully planning and coordinating economic organizational work today is an important requirement to effect a new upsurge in socialist economic construction by thoroughly implementing the teaching given by the respected and beloved leader while he was alive. The revolutionary zeal of party members and the working people who have unanimously risen up following the respected and beloved leader's lifetime teaching is very high today. Therefore, when our functionaries organize and mobilize the masses to perform heroic exploits through their bold operations, skilled commanding and mighty political work, any vast work and task arising in the implementation of the party's revolutionary economic strategy can be implemented easily.

The respected and beloved leader provided the Taean work system, the chuche-oriented socialist economic management system, and clearly elucidated all problems which arise in implementing the work system. Our functionaries should not forget the great leader's deepest benevolence even for a moment and should display the high revolutionary spirit in their struggle to resolutely safeguard and defend the Taean work system.

Functionaries should improve their economic guidance and management under the principle of upper organizations helping lower organization and, thus, should enhance to the maximum economic effectiveness in their production management activities by correctly carrying out economic calculation.

Upholding the great leader's ideology, "Believing in the people as in heaven" and the dear leader Comrade Kim Chong-il-presented slogans, "Serve the people!" and "Let the entire party mingle with the masses," all functionaries should mingle with the masses, share joy and sorrow with them, and vigorously lead the masses through their exemplary deeds.

To effect a new turn in socialist economic construction by thoroughly implementing the teachings given by the respected and beloved leader Comrade Kim Il-song while he was alive it is important to enhance the role of party organizations.

Party organizations at all levels should vigorously wage organizational and political work not only to inculcate the great leader's programmatic teachings given to various sectors and units of party organizations deep in party members and the working people, but also to lead them to display a matchless revolutionary spirit in implementing the teachings.

Party organizations should plan and organize through various forms and methods the indoctrination work to lead party members and the working people not to forget the deep love and consideration bestowed by the great leader upon our people but to repay these love and consideration with practical successes.

Bringing the great leader's lifetime intent into full bloom by firmly uniting around the dear leader Comrade Kim Chong-il is precisely the rock-firm oath that our people have vowed before the times and people.

Our people will abide by this oath even though generations change and under any difficult circumstances. On this course they will effect revolutionary upsurges and achieve the complete victory of socialism and the historic cause of national reunification without fail.

Essay Calls Kim Chong-il Our 'Only Destiny'

SK0510105494 *Pyongyang KCNA in English* 1039
GMT 5 Oct 94

["The Dear Leader Comrade Kim Chong-il Is Our Destiny"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 5 (KCNA)—NODONG SINMUN today carries a political essay titled "The Dear Leader Is Our Destiny".

The author of the political essay stresses that the Korean people believe in dear Comrade Kim Chong-il as in heaven with unquestioned trust and sentiments of worship for him.

He is the only destiny of ours, it says, and goes on:

Today when we lost the respected leader Comrade Kim Il-song, we hold in high esteem dear Comrade Kim Chong-il, the great leader who is creditably carrying forward the cause of the fatherly leader, as our destiny and heaven.

Dear Comrade Kim Chong-il is the great defender and guide of our destiny.

Regarding the question of succeeding the cause of the leader as the most important one long ago, he has consolidated the organisational and ideological foundations of our party as firm as a rock, strengthened our singlehearted unity in every way and built our revolutionary armed forces into the ever-victorious army of the party. We would not be able to speak of the stability and confidence or think of the might today apart from such great guidance and undying feats of dear Comrade Kim Chong-il.

Comrade Kim Il-song is Comrade Kim Chong-il, and vice versa. Thinking of Comrade Kim Chong-il, we think of Comrade Kim Il-song and, thinking of Comrade Kim Il-song, we follow Comrade Kim Chong-il with deeper reverence.

Comrade Kim Chong-il has the same thought and idea, the same intention and aspirations, the same hope and purpose, and the same faith and will as respected Comrade Kim Il-song.

The Korean people followed for many years believing in as in heaven. [as received]

In view of all traits, qualities and abilities in leading people, assuming responsibility for their destiny, Comrade Kim Chong-il is the great leader who always remains in the hearts of the people as the noblest figure together with the fatherly leader.

Now we look back upon the 20th century in which the destiny of humankind has gone through vicissitudes.

The 20th century is a century that gave birth to the socialist system, the age-old dream [words indistinct] of humankind on the globe, and a century that is coming to a close with such abnormal developments as the collapse of the socialist system that had existed for tens of years in some countries.

At the turn of the century humankind is witnessing an astonishing miracle. How is Korea dynamically advancing, so firmly defending her cause under the most difficult conditions in which the imperialists and all the reactionaries of history are intensifying their campaign to stifle her?

The answer to this question and the key of the might are found in the greatness of dear Comrade Kim Chong-il who is defending and guiding our destiny.

All our destinies are defended by the great confidence and optimism, matchless grit and strategy of Comrade Kim Chong-il, who wins brilliant victories, facing whatever difficulties, turning misfortune into bliss, changing adversity into favourable circumstances, saying that whatever grim tests and difficulty may lie before the revolution, they can be overcome as there are the party, power and the people.

Victory is always in store for us because Comrade Kim Chong-il takes care of our destiny and future and guides us.

Daily Stresses 'Absolute Respect' for Leader

SK0410133794 *Pyongyang MINJU CHOSON in Korean* 4 Sep 94 p 2

[Article by Choe Chong-hon: "Absolute Respect [sungbaesim] to the Leader [yongdoja] Is Our People's Noble Ideological Feeling"]

[FBIS Translated Text] At the moment, our people are vigorously accelerating the grand socialist onward movement—filled with confidence and optimism—while upholding the dear Comrade Kim Chong-il as the great leader [yongdoja] in conformity with the fatherly leader's lifetime wishes. Under any circumstances, the idea of trying to accomplish the revolutionary cause of chuche to the end—while invariably upholding the dear comrade leader at the head of our party and revolution—serves today as our people's indefatigable conviction, which is kept precious in our people's burning hearts, and their noble ideological feeling.

The great leader Comrade Kim Il-song taught:

"For a long time, our people have respected and held in esteem Comrade Kim Chong-il, calling him 'dear comrade leader,' although he does not like to become conspicuous while thinking that it is enough to render loyalty to the country and the people. Inherent in the term 'dear comrade leader' is our people's love and trust in him."

The death of the great leader was the biggest sorrow and pain our people have suffered since they were born into the world. Our people, who lost their benevolent father, wept at the top of their voices while beating the ground, overwhelmed by bitter mournfulness; and have expressed their condolences by visiting the great leader's statues almost every day, overwhelmed by sorrow and bitterness. The death of the great leader has made the whole country weep, and the rivers and mountains writhe in grief. Nothing can express or measure our people's bitter feelings and loss. The past mourning period clearly displays how ardently our people worshipped, and how much they respected and admired the great leader [suryongnim] as the great leader [yongdoja].

At the moment, while they are all the more keenly sensing the preciousness of the leader [suryong] in carrying out the popular masses' independent cause, our people are living and working with a wholehearted desire to better uphold the dear comrade leader with the loyalty and filial piety which they failed to fully render to the great leader. People's noble ideological feeling—to devote their whole life to the comrade leader with loyalty and filial piety while regarding as the greatest honor and biggest happiness their upholding of the dear Comrade Kim Chong-il as the great leader [yongdoja]—is becoming warmer and more ardent. This corroborates that our people's absolute respect to the leader [yongdoja] is reaching a noble height.

Our people are upholding the leader [yongdoja], trusting him as the father and the pillar of their hearts.

The solidest aspect in the relations between the leader [yongdoja] and people are the blood ties [hyolyonui kwangye]. The blood ties between the leader [suryong] and warriors are established at the noblest height, exceeding the relations between parents and children. The ties are those of boundless love and respect going beyond the boundaries of homes. The perfect harmony between the leader [yongdoja] and people—in which the leader [yongdoja] trusts and boundlessly loves people; and people absolutely trust and uphold the leader [yongdoja]—serves as the solidest combination which is inseparable.

The perfect harmony between the leader [yongdoja] and people is based upon the leader's [yongdoja] boundless love for people.

The dear leader Comrade Kim Chong-il is providing all of our people with the most precious political life and leading them so that they can glorify this life, while embracing them in his benevolent bosom of love; and he

is taking into full consideration even the wishes the people are harboring deep in their hearts, while regarding the popular masses as teachers and comrades.

Indeed, the bosom of the dear comrade leader is the bosom of the great father [widaehan oboi] who feeds, clothes, takes care of, and fosters—as revolutionaries—all of our people. Therefore, our people are upholding the comrade leader with the single-hearted loyalty and filial piety, while harboring the absolute conviction that they cannot live even a moment without the bosom of the dear comrade leader, nor can they leave his bosom even though they can give up everything else in the world.

If one is to carry out revolution, one has to have a pillar of heart which one can trust and depend on. The one who has failed to have such a pillar will fail to have a sense of trust; and will tend to shake and give up in the face of a momentary difficulty or ups and downs, while moving forward along his road, and to tumble down to the road of betrayal [paesin] afterward.

Whether or not one will have the pillar of heart is based upon one's absolute respect to the leader [yongdoja]. The respect to the leader [yongdoja] does not arise by itself, nor can it be forced upon anyone. It is formed and consolidated when one keenly realizes the greatness of the leader [yongdoja] and is completely charmed by the leader [yongdoja] in everyday life.

The dear Comrade Kim Chong-il is the great leader [yongdoja] of our party and people, who is perfectly personifying the respected and beloved leader's greatness and his trait as a great man, and he is a great man among great men. History does not know a great man, who possesses benevolence, as well as both literary and military accomplishments, like the dear comrade leader, who has completely inherited the great leader's ideology, leadership trait, and noble virtue. The dear comrade leader is a matchless great man whom no leader [yongdoja] in the world can match in terms of ideology and theory, and of military resourcefulness and benevolence.

Our people have been completely charmed by the comrade leader's trait as a great man in the course of cutting their way through the rigorous years of modern history while upholding the dear comrade leader; and they have keenly realized that the dear leader Comrade Kim Chong-il is the fate of the fatherland and the nation, and the banner of all victories, thereby coming to completely depend upon the comrade leader for their fate and future. Today, our people are upholding the comrade leader as their father and the pillar of their hearts, while depending upon the dear comrade leader for all of their fate; and their hearts are burning with a wholehearted loyalty to trust and follow only the comrade leader, even if the heaven and the land change several tens or several hundreds of times. Our people's firm will, faith in sure victory, and firm sense of courage [paesim], which exist in their hearts today, are that, as long as the dear leader Comrade Kim Chong-il exists, they do not fear any

difficulties or any formidable enemy; they will have no problem as regards socialist construction and the fatherland's reunification; and they will achieve certain victory. Even under the circumstances in which the imperialists' antisocialist maneuverings are being intensified more than ever before, our people are able to boldly turn out in the implementation of their socialist cause, while having a conviction in the future and being overfilled with confidence and optimism; and even under the circumstances in which they are suffering from the heart-rending loss and sorrow of having lost the fatherly leader, they have been able to courageously rise like mountains, gulping down their tears. All of this is possible because we believe in the dear comrade leader and we have absolute [hanulkattun] trust in and absolute respect toward the comrade leader, the guardian of the party and revolution, and the fate of the fatherland and the nation. Therefore, as they had traversed the 10 million li-long [one li is equal to 4 km] road of revolution following the great leader, our people are further building up their conviction and will to devote their loyalty and filial piety to the comrade leader's leadership, while trusting the dear comrade leader as their father and the pillar of their hearts. Our perfect harmony, in which the hearts, will, and intentions of the leader [yongdoja] and the people are linked as one and are throbbing, is an unchangeable one which cannot be broken, no matter how many years will have passed or no matter what kind of storm will have come.

Our people are also upholding the leader [yongdoja] as the center of the unity.

Unity is the foundation of the revolution. Revolution begins and advances with unity, and will win victory due to the might of the unity. The solidity and firmness of such unity lie in upholding a great leader [suryong] in its center.

The leader [suryong] is the center of the unity and cohesion to raise the popular masses' consciousness, organize them, and unite them into one political force; and he is the center of the leadership to lead the popular masses to the victory of the revolutionary struggle with scientific theories, strategies, and tactics. Therefore, when they are firmly united around the leader [suryong], upholding him—the center of unity and leadership—the popular masses can fulfill their role as the independent subject of revolution, and can successfully carry out the socialist construction.

Holding in high esteem the leader [yongdoja] on the course of consummating the socialist cause to the end is the most important question in correctly solving the leadership inheritance question. The socialist cause does not end in one generation but continues generation after generation, and is a difficult and complex task of pioneering an untrodden road. The destiny of the socialist cause in pioneering the future road amid the fierce struggles against the class enemies depends on how its

leadership is guaranteed and this can be ensured only when the great leader is placed at the center of the leadership.

This is a truth which has been confirmed by history.

Upon realizing the most solid single-hearted unity by having the dear leader Comrade Kim Chong-il at the head of the party and revolution, our people have come to have the highest privilege of being blessed with the leader.

Having the resources and traits befitting a leader of the people, the dear leader Comrade Kim Chong-il has organized and led at the van the struggle to complete the chuche revolutionary cause with his ever-invincible leadership, unusual wisdom, and iron will, and has stood at the head of the party, the state, and the Army since long time ago. The dear comrade leader has further enriched and developed the immortal chuche idea which the great leader set forth; consolidated the entire society's single-hearted unity as firm as a rock; and opened a new history of change in this land. With his immortal achievements that will shine for centuries, the dear comrade leader has won the popular masses' boundless respect and absolute trust. Our people take it as their greatest blessing to have the dear comrade leader at the supreme head of our revolution.

Upholding the dear comrade leader as the center of the unity and leadership, our people are closely united around the comrade leader with the great dignity of doing the revolution. The song of faith, "We will win if there is you," is loudly resounding across the entire country, and all people—from the anti-Japanese fighters to the new generation—absolutely believe in the dear comrade leader's ideas and intentions, and act and live in conformity with his demands. The revolutionary ethos of firmly guaranteeing the unitariness of the dear comrade leader's ideas and leadership, and accepting the party's lines and policies as an absolute truth and firmly implementing them were set up. Likewise, all people are devotedly upholding the leader's [suryongui] leadership with the extraordinary determination to devote their all to fulfill the comrade leader's ideas and lines and to die at their revolutionary post of duty. These facts reflect the lofty feature of our society which is single-heartedly united around the dear comrade leader in one ideology and purpose and in moral obligation. As a result, the revolutionary position of our socialism has been firmly consolidated as an unconquerable bastion and as an impregnable fortress, and the bright future has been unfolded before our revolution.

With the dignity and pride of having the dear comrade leader at the head of the party and the revolution, all functionaries and working people should vigorously march ahead and further hasten the victory of the socialist cause.

Kim Chong-il's Role in Reuniting Families Viewed

*SK0310141894 Pyongyang Korean Central
Broadcasting Network in Korean 0920 GMT 2 Oct 94*

[Unattributed talk: "He Tried To Link the Severed National Blood Vessel"]

[FBIS Translated Text] Currently, our people in the North, South, and overseas are vigorously accelerating the grand march for the fatherland's reunification embraced with the blazing desire to reunify the fatherland in the nineties without fail.

The will and firm determination of our whole Korean nation is to reunify the fatherland in the nineties without fail. Whenever we face the strong flow of the fatherland's reunification, which is rapidly flowing everywhere the Korean people live, we warmly heartedly reflect on Comrade Kim Chong-il's, the great leader [widaehan yongdoja] of our party and people, immortal achievements in which he called the whole nation in the sacred cause for the fatherland's reunification and devoted great efforts to bring about a dawning of the fatherland's reunification.

A typical example of this is the story of when, after an arduous struggle, the dear leader Comrade Kim Chong-il guided the work to organize and realize the exchange of home visiting groups between the North and South, which is to lead in whatever way the North-South dialogue to success, which was to resume after 10 years.

According to the dear comrade leader's extraordinary strategy, a national event unfolded in which it would make possible for artists and members of the home visiting groups to come and go to Pyongyang and Seoul by passing through the Military Demarcation Line [MDL] after 40 years since the nation's division. Thus, in September 1985, art troupes and members of the home visiting groups led by the Red Cross organizations of the North and South, respectively, left for Pyongyang and Seoul.

The dear leader Comrade Kim Chong-il earnestly hoped that this national historical event would at least be a stepping stone and a basis in the cause for the fatherland's reunification, and made the following significant remark to the functionaries: Would it not be great if this happy event takes place in the reunified fatherland? If all the people are to come and go to Pyongyang and Seoul freely, share the long-cherished affection of one's flesh and blood and the love of the fellow countrymen, and completely link the severed national blood vessel, we must reunify the fatherland as soon as possible. Korea is always one, not two. We must implant the national spirit that Korea is one in Seoul where the face of Korea is not seen even though it is clearly Korea. For us, there is only one nation, one fatherland, and one territory.

Embraced with the dear comrade leader's strong will for reunification, our home visiting group and art troupe passed through the MDL—the wall of division—and the

functionaries of our Red Cross welcomed the yearning South Korean flesh and blood with outstretched arms. Therefore, on the same day and same time in Seoul, our artists performed our high fragrance of national art, which has a taste of *chuche* and a taste of Pyongyang, and in Pyongyang, performance by the artists from Seoul was being carried out.

The dear comrade leader wisely led the reunion work of the members of the home visiting groups so that it could be successfully carried out. Originally, the South Korean puppets who did not welcome the issue of the exchange of the home visiting groups answered to this matter by making betraying acts in reaching an agreement by daybreak on 21 September, the deadline for the time for the reunion which was promised before the whole nation and the world.

When the dear comrade leader was informed of this, he said to the functionaries that the whole nation was waiting for the time for the reunion. He made a teaching of presenting a compromise clearly elucidating our position.

According to the sagacious method elucidated by the dear comrade leader, finally on 21 and 22 September there was a tearful reunion by the separated families and relatives in Pyongyang and Seoul. While trying to recall the dim memories, the separated families recognized their flesh and blood and ran toward each other with outstretched arms hugging each other while crying and laughing. They looked at each other again and cried and laughed again. How long has it been?

The whole nation sat before the television sets and watched the historic reunion while shedding tears. The separated families cried because they were overflowing with emotion of having met their long yearned-after flesh and blood, and the television viewers and radio listeners cried seized with happiness as if the historical moment for the fatherland's reunification had approached.

An overseas Korean reporter who witnessed this dramatic reunion in which the whole nation was laughing with happiness and sobbing with emotion wrote as follows in a newspaper: A happy event in which even the mountains, streams, plants, and trees are sobbing. When did such an event take place in the 40 years of division? This reunion was a fruition of the respected and beloved President Kim Il-song, a great master in politics, and the respected Mr. Kim Chong-il's blazing love for the fatherland and the nation. It is certain that this is a flame informing the hope for reunification. We cannot live separated and our country is one. Every one of the 70 million people think as such in their hearts and saw the hope for reunification.

Truly, embraced with the affection of the severed flesh and blood, the work of exchanging the art troupes and home visiting groups in which warm affection of brotherly love was exchanged, was a great political event filling in the hearts of the people the hope for the fatherland's reunification.

According to the wise leadership of the dear comrade leader, while entering into the nineties, there was an epoch-making progress in the struggle for the fatherland's reunification. In the first year of the nineties, the pannational rally, the North-South reunification soccer game, the North and South participated in the 41st world ping pong games as a single team, the pannational reunification music concert, and the reunification traditional music concert bidding farewell to 1990, were successfully held for the first time since division amid the great interest and expectation of the 70 million people.

These historical events were achieved as a result of Comrade Kim Chong-il's, the great leader [yongdoja] of our party and people and lodestar of the fatherland's reunification, wise organization and leadership to lead all the people toward the nation-wide struggle for the fatherland's reunification with his firm will to achieve the fatherland's reunification without fail.

Our people will highly uphold the dear leader Comrade Kim Chong-il as the lodestar of the fatherland's reunification and loyally uphold his leadership to bring about a reunified fatherland on this land without fail.

Fulfilling of Kim Il-song's Behests Urged

SK0410115794 Pyongyang NODONG SINMUN in Korean 5 Sep 94 p 1

[Editorial: "Let the Working Class Take the Lead in Fulfilling the Behests of the Great Leader"]

[FBIS Translated Text] Today, the entire party and all the people have unanimously risen up for the struggle to fulfill the behests of the great leader Comrade Kim Il-song and are vigorously accelerating socialist construction. Our working class is highly displaying its loyalty to the party and the leader [suryong] and is brilliantly playing a pivotal role.

The party's confidence in and expectation on our working class is exceptionally high. Our party expects the working class to, as in the past, honorably carry out its mission as a core detachment in today's struggle to accelerate the general onward movement of the socialism of our own style in hearty response to the behests of the great leader Comrade Kim Il-song. Our working class should stand at the forefront and kindle the flames of great revolutionary upsurges under the leadership of the dear leader Comrade Kim Chong-il.

The great leader Comrade Kim Il-song has taught: Apart from the working class' leadership role and its pivotal activities, our revolution cannot be advanced and the historic cause of imbuing the entire society with the chuche idea cannot be completed.

The working class is the most advanced class in our society and the leading class in our revolution. When the working class stands at the forefront and marches ahead under the uplifted banner of struggle, there is nothing

that cannot be achieved and the matchless popular heroism and miracles can be created in socialist construction.

The working class' pivotal role in the struggle to carry on the behests of the great leader Comrade Kim Il-song is the working class' due duty as revolutionaries.

On the basis of his scientific analysis on the realistic demands of socialist construction and the country's economic situation, the respected and beloved leader Comrade Kim Il-song gave the programmatic teachings from which our working class and people must always take guidance. The great leader's behests reflect his noble intention to complete our revolutionary cause and accelerate the revolution and construction by dint of the working class, absolutely trusting them.

The more we inscribe in our hearts the great leader's behests on giving the definite precedence to electricity, coal, and rail transport and pushing ahead with the production of iron and steel, cement, chemical fertilizers, and shipbuilding, the warmer our hearts with the feelings of deep reverence for the great leader who gave great confidence to us, renewing our firm resolve to gloriously carry on the tasks set forth by him. Carrying on the respected and beloved leader's behests is the road to brilliantly realizing an oath made before the leader's bier and fulfilling its noble mission as the working class who grew up in the bosom of the party and the leader.

Our working class is the most revolutionary class, which has been endlessly loyal to the call of the party and the leader. During the post-war turbulent period, it was our working class that kindled the flames of the chollima movement and protected the party and the leader from all sorts of enemies' maneuvers. Likewise, it was the working class that stood at the van in the struggle to set up monumental creations and effected great upsurges in socialist construction under the party's leadership.

Our working class is firm as ever, and its view and stance on upholding the party and the leader is invariable. Now, our working class is filled with strong determination and mettle to complete the chuche revolutionary cause to the end by faithfully upholding the dear leader Comrade Kim Chong-il in accordance with the great leader's behests. Because there is the working class whose class determination is high and revolutionary spirit is strong, we have nothing to be afraid of and the socialism of our own style will march ahead without a hitch.

The entire working class must create endless miracles and feats and become a core detachment in socialist construction by devoting all its loyalty and revolutionary zeal to carry on the great leader Comrade Kim Il-song's behests.

Our working class, above all, should always keep in mind the great leader Comrade Kim Il-song gave it great faith and solicitude in his lifetime and should have the firm ideological willingness to repay his benevolence.

During the entire period of which the respected and beloved leader Comrade Kim Il-song led the revolution and construction, he had our working class stand for the revolution's leading class and propelled the arduous and complex Korean revolution by dint of the working class. Following the liberation, the great leader had called on our working class before visiting the Mangyongdae home. Whenever difficult tasks arose before the revolution and hardships were piled up, the great leader made the working class stand in front of the marching rank, having an absolute trust in it.

By brilliantly embodying the *chuche* idea, the respected and beloved leader built a true sense of the world of the working class and the popular masses-centered socialism of our own style on this land and devoted his whole heart to the happiness of the working class and the popular masses until the last moments of his life.

Whenever our working class thinks about endless glory and happiness its enjoying now under the most superior socialist society, it should never forget great love and solicitude endowed on them by the great leader and renew their rockfirm ideological willingness to repay his love. The stance and position as those should be possessed by the working class are that they should live and struggle with the firm will to repay the leader's benevolence no matter they are awake or asleep and should burn their hearts with the sense of obligation toward the fatherly leader. Only when the working class is possessed with such ideological and spiritual traits, can they brilliantly carry on its pivotal role in the struggle to fulfill the great leader's behests and create unimaginable miracles and heroic feats in socialist economic construction.

With a high level of revolutionary spirit, our working class should also display the ethos of unconditionally and thoroughly implementing the respected and beloved leader Comrade Kim Il-song's behests.

The revolutionary spirit is the working class' inborn militant temperament. Our working class ought to be the heroic class with the spirit of absoluteness and unconditionality that can level a cliff and fill the sea if it is the party's demand. Our working class who made a promise to be loyal to the great leader Comrade Kim Il-song's behests should fully display its revolutionary spirit and militant capacity in the struggle to carry forth socialist construction.

Under the uplifted banner of the revolutionary slogan "We Will Do What the Party Decides!" our working class should march ahead and unconditionally fulfill the tasks set forth by the great leader during his lifetime.

Today, our party demands our working class, the pilot of the national economy, to open a breakthrough in socialist construction. The working class in charge of the power industry should maintain a high and steady rate of production by operating all power facilities into full capacity and accelerate the construction of power plants. The working class in charge of the coal industry should

give precedence to the removal of soil and rock, and tunnelling, and brilliantly finish up the construction of new pits and mines, thereby effecting a new upsurge in the coal production.

The working class in charge of the rail transport should properly carry on organizations of transport and directions, and modernize and improve the railway systems strong enough for heavy-duty trains, thus transporting more cargoes speedily. The working class in charge of the production of chemical fertilizers and cement should increase production by readjusting, reinforcing, and operating facilities at full capacity. The working class in charge of the metal industry should give priority to the production of iron ore and accelerate the *chuche*-orientation of the metal industry, registering an innovation in the production of iron and steel.

The working class of the light industry should produce various good-quality people's consumer goods by sparking off the flames of the revolution of the light industry.

The working class is a class that has the most powerful unity and the strongest collective spirit, and the ideological and spiritual characteristic of the working class lies in popular heroism and a sense of collective innovation. In hearty response to the slogan "One for all, and all for one," our working class must more highly display the collective spirit with which they help and lead one another. In the struggle to implement the leader's [suryong] behest, the working class must unite to ensure that work shops help other work shops, that plants help other plants, and that production units strengthen comradely cooperation and unity among themselves. In particular, officials and working-class members in charge of cooperative production must possess the noble awareness that they are in charge of carrying out the revolutionary tasks and must spark off the flames of collective innovation.

Our working class must work with the revolutionary spirit and struggle spirit of the post-war great *chollima* upswing period.

The revolutionary spirit which our working class had during the post-war great *chollima* upswing period is a spirit of loyalty with which our working class believes and follows only the party and the leader [suryong] and with which it unconditionally implements the wishes of the party and the leader [suryong] to the end; a spirit of self-reliance and arduous struggle with which it courageously breaks through any difficulties or trials in the way of the revolution; and a noble patriotic spirit with which it makes efforts to continuously make innovations and carry out the revolution to build a prosperous socialist fatherland at the earliest possible date. The spirit of the great *chollima* upswing period is a revolutionary spirit and militant spirit that our working class must display in today's struggle to implement the behests of the great leader Comrade Kim Il-song.

Our working class must question whether it is now living just like when it was accelerating the post-war restoration after tightening its belt and must always work in a revolutionary manner with a militant spirit. Our working class' working habit is that wherever it works and whatever it does, it always manufactures what is nonexistent, seek out more of what is in short supply, and tries to manage itself on its own.

We must break through difficulties head on with the firm revolutionary stand to resolve everything with one's own strength even if the higher echelons do not supply the necessities, although it would be better if the higher echelons did supply them. We must also score greater production upsurges by improving the efficiency of the given raw materials and materials. Our working class must also vigorously wage the struggle for increased production and economy to find all internal reserves and sparingly use every drop of oil, every watt of electricity, every piece of steel, and every grain.

Today, our working class' revolutionary enthusiasm and struggle spirit are very high. Party organizations of all levels must push ahead with organizational and political work in step with such an ideological and spiritual state of the working class. Party organizations of all levels must make our working class realize how great the trust of the party and the leader [suryong] is for it and deeply realize its mission as a class that leads the revolution. Party organizations of all levels must also correctly lead the working class to make new innovations and miracles in revolution and construction with high revolutionary enthusiasm. In particular, party organizations ensure that economic guidance officials substantially carry out economic organizational work and that, thus, the working class displays its revolutionary enthusiasm and positive creativity in carrying out revolutionary tasks.

Our working class is the most loyal and revolutionary class who has an ideological determination to absolutely trust and resolutely defend and safeguard the dear leader Comrade Kim Chong-il.

Our working class, upholding the leadership of the dear leader Comrade Kim Chong-il, must bring about new turns in socialist economic construction and, thus, again vigorously display the heroic spirit of the Korean working class which believes and follows only the party and the leader [suryong].

Kim Il-song's Concern for Working Class Noted

*SK0410153894 Pyongyang KCNA in English 1510
GMT 4 Oct 94*

["President Kim Il-song Will Always Be With Korean People; Trust in and Love of Working Class"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 4 (KCNA)—Korean newspapers, radios and television

now continue publishing articles and showing documentary films on the great favours shown by the great leader President Kim Il-song for the Korean people.

Among them are impressive stories and scenes about his loving care for the working class, which he pushed to the foreground as the leading class of the revolution.

A recent issue of NODONG SINMUN, the organ of the Central Committee of the Workers' Party of Korea, carried an article on his trust in and loving care for Choe Yon-ok, an ordinary worker, under the title "Such Person Is a Hero."

Before the liberation of the country, the female worker lost her parents at the hand of the Japanese at her young age and lived a miserable life doing toilsome work at a mine.

The great leader met her several times and took care that the title of labour heroine was awarded to her, highly praising her good service for the building of a new country after the liberation and the building of socialism.

He sent her to school, a woman who did not know what a school was like till her age above 30. After her graduation, he saw that she took charge of a working people's organisation at an enterprise.

Indeed, respected President Kim Il-song was a kind-hearted father who firmly believed in the workers and showed all loving care for them.

In December 1956, the great leader appointed Choe Chae-ha, who had worked at a power station as a labourer since the liberation days, construction minister and told him: "You are the first minister of working-class origin. ... I believe you will not fail to implement the construction policy of the party."

In September 1962, the great leader was examining the list of candidates for deputies to the Supreme People's Assembly. Finding the name of Kim Hak-sun, a fisherman of the Chongjin fisheries station, he said the fisherman who was working so hard to supply fish to the people must be a deputy to the Supreme People's Assembly. And the president took care that the fisherman was nominated as a candidate for deputy.

The president always found himself among workers, fostering their grit and strength and taking care of their work conditions and life down to details.

In March 1959 he visited the Yongsong machine plant (now Ryongsong Associated Machine Bureau) and assigned to the workers of the plant a task to manufacture a 3,000-ton press. Seeing the manufactured press in April 1961, he encouraged the workers, saying that they had done a great thing and that every work must be done that way.

In May 1985, he saw a large oxygen plant manufactured by the workers of Rakwon and highly praised them,

saying that they are heroic workers who never failed to do whatever he entrusted to them.

In January 1961, he visited the silk reeling shop of the Pyongyang silk mill. He stroke a girl worker's hands swollen in hot water for a long while, and said: "Let us build a new modern factory so that the workers can do work with ease. Let us not spare money for the sake of the workers. The cost of construction should be counted after the factory is built. Let us count it after doing all we can for the workers."

The Korean people still remember the legend-like stories that right after the liberation President Kim Il-song visited the workers of Kangson, passing by his old home in Mankyongdae he had longed for during the 20 years of the anti-Japanese revolutionary struggle, and that he took measures to explode the oven of first-stage iron-processing of the then Songjin steel works which was harmful to the health of workers.

Countless are stories about his loving care for the workers.

Under his deep loving care, workers who lived a worthless life in the past lead a worthy life as masters of the country, deputies to the Supreme People's Assembly and heroes.

The workers of Korea call the great leader President Kim Il-song their father and are constantly effecting innovations in socialist construction as wished by him in his lifetime.

Kim Il-song University 'Reliable Training' Center

SK0510102494 Pyongyang KCNA in English 1010 GMT 5 Oct 94

[FBIS Transcribed Text] Pyongyang, October 5 (KCNA)—Kim Il-song University situated at the foot of scenic Moran Hill in the capital city of Pyongyang is the nation's reliable training centre of native cadres.

It has many stories about the historical guidance of the great leader President Kim Il-song.

On October 5, 1949, President Kim Il-song paid his 47th visit to the university [as received].

Inspecting various places of the university that day, the president gave instructions to further consolidate its material and technical foundations including the question of constructing new buildings.

He gave on-the-spot guidance to the university on more than 100 occasions from the day of its foundation.

He gave highly important instructions on over 500 occasions to train talented and able native cadres, involving the questions of teaching and training and scientific researches.

Under the meticulous loving care of the president the university has been splendidly built as the highest seat of science and a model for the universities of the country.

Occupying a wide area of 1.56 million square metres, the university has 15 faculties and over 200 departments of social and natural sciences including economics, history, philosophy, physics, chemistry and biology. And it has 10 institutes and over 50 research rooms and a doctoral institute for computer, cell engineering, etc.

There are several thousand teachers and scholars including more than 1,000 holders of academic degrees in the university, among them Pak Si-hyong (history), So Sang-kuk (physics), Cho Chu-kyong (mathematics), Chon Yong-sik (economics).

After its foundation, the university has trained a large number of talented officials to render remarkable services in solving the question of native cadres of the country.

Many achievements have been made in scientific researches.

A significant progress has been made in researches into the chuche idea and the revolutionary traditions of the Workers' Party of Korea, and political economy history, literature and art and state building based on the chuche philosophy and chuche idea. Enormous successes have also been made in researches into natural sciences including mathematics, physics and biology in keeping with the trend of the development of modern sciences and technologies.

More than 100 items of valuable successes have been recorded in researches into electronics and automation.

Recently-developed inventions including a high-temperature superconduction materials won high appreciation at international exhibitions of inventions and new technique.

Now, the university is concentrating efforts on the work for making an effective use of the university's resources while deepening researches into electronic materials.

Daily Stresses Party Members' Role in Unity

SK0410121394 Pyongyang NODONG SINMUN in Korean 6 Sep 94 p 2

[By Kim Pae-hwan]

[FBIS Translated Text] Today, the single-hearted unity around the dear leader Comrade Kim Chong-il has been strengthened even more firmly in our country. This is mainly because our party members are playing the core and vanguard role in strengthening the single-hearted unity.

The dear leader Comrade Kim Chong-il noted:

"All party members should play the core and vanguard role in strengthening the unity and cohesion of the party

and revolutionary ranks. We can strengthened the single-hearted unity of the party and the masses in every way only when we make the millions of party members prepare themselves well and indoctrinate and lead the masses, in a way of a person indoctrinating and moving 10 persons, who indoctrinate and move 100 persons, who indoctrinate and move 1,000 persons, who indoctrinate and move 10,000 persons."

Party members are genuine, church-oriented revolutionaries, educators of the masses, and vanguard fighters, who are devotedly struggling for the party, the leader, the fatherland, the people, and the victory of the socialist cause. Just as we cannot talk about the victorious advance of the revolution and construction without the party members' core role, we cannot strengthen the unity and cohesion of the party and the revolutionary ranks without their vanguard role.

Our party members' fulfillment of their core and vanguard role in strengthening the single-hearted unity of the party and the revolutionary ranks is one of the important secrets that have enabled the unity of our revolutionary ranks to have constantly and firmly been strengthened even in so difficult and arduous trials in the past period.

Our party members have always stood at the head of the long struggle to strengthen the unity and cohesion of our party and the revolutionary ranks.

The more the situation was complicated and difficult, the more our party members determined to become a fortress and shield to death-defyingly protect the party and the leader, as well as firmly unite a broad range of the masses around the party and the leader.

Our party members' trait of constantly strengthening the consolidated single-hearted unity of the revolutionary ranks centered around the party and the leader is being displayed at a exaltedly high level today. Therefore, the invincible unity and cohesion of our party and people centered around the great leader [yongdoja] has been strengthened even further, and its might is being greatly demonstrated.

Our party members sacrifice all they have, standing at the head of the struggle, above all, to strengthen and resolutely protect and defend the single-hearted unity with the great leader [yongdoja] as the center.

The solidity and invincibility of unity and cohesion depends mainly upon the solidarity of the core position, on which the unity and cohesion is based. No force can destroy the unity based on a firm core ground. Therefore, in order to achieve the consolidated single-hearted unity of revolutionary ranks, there must be, above all, core forces that uphold the banner of unity at front, and their political and ideological preparations exert great influence upon the unity and cohesion of the ranks.

Party members can be said to be in a core position in achieving the single-hearted unity of the party and

revolutionary ranks because they are revolutionary vanguard fighters who keep loyalty to the party and the leader as important as their lives.

It is the party members' duty and mission, in nature, to uphold the party and the leader and to struggle, firmly united around them. All our party members are revolutionary fighters with self-awareness who have launched into the road of struggle, with a determination to devotedly fight for the party, the leader, and victory of the revolution. To party members, the party and the leader are great teacher and father who gave them the most valuable political lives and are leading them to the worthwhile road of revolution while trusting and loving them. This is why the party members consider it a due revolutionary faith and sense of duty to fulfill their loyal and filial duties for the party and the leader who gave them precious lives, and why they are fighting, firmly united as one around the leader [yongdoja].

With burning loyalty and filial obedience to the party and the leader, our party members are uniting themselves as one even more firmly around the great leader [yongdoja] today. It is all our party members' firm faith and will to uphold the dear comrade leader and death-defyingly protect the party and the leader by becoming rifles and guns, under any difficult situation. Because they have this firm faith, our party members think about their leader's [yongdoja] authority and longevity first no matter what they do at any place and at any time, and struggle by devoting all they have. Our party members are highly displaying such noble trait as breathing and act in accordance only with the leader's [yongdoja] idea and intent, and as courteously taking portraits of the great leader [suryong] and the dear comrade leader out of a burning house by running into the house without hesitation. Truly noble is the spiritual world of our party members who have an absolute faith only in their leader [yongdoja] and faithfully uphold the party and the leader [suryong].

Thanks to the core role of our party members, who faithfully uphold the great leader [yongdoja] of the revolution, the unity and cohesion of our revolutionary ranks is further strengthening as days go by and is demonstrating its invincible might.

Our party members are also playing the vanguard role in the struggle to unite a broad range of the masses around the great leader [yongdoja].

The single-hearted unity of the party and the revolutionary ranks depends upon the solidity of mass-oriented basis, and we cannot think the unity without the party members' role of uniting a broad range of the masses in all classes and strata around the party and the leader.

Party members are political activists who, as genuine instructors of the masses, firmly unite them around the party. The party members' precious honor lies in their activities to indoctrinate and remold each of the popular masses and to unite them around the party and the leader.

For special attributes of their position and activities, in nature, party members are to play a great role in achieving the single-hearted unity of the party and the masses. Because every party member lives with the masses and exerts great influence on indoctrinating them in a revolutionary way.

Today the single-hearted unity of the party and the revolutionary ranks is all the more strengthened in our country because our party members are excellently fulfilling their vanguard role in uniting a broad range of the masses around the leader [yongdoja].

Now our party members are indoctrinating a broad range of the masses on the leader's revolutionary ideas, the justness and truthfulness of our party policy, and the leader's [yongdoja] great traits in thousands of feet-deep underground pits, seething construction sites, and other sentry posts where they are working, so that they can lead the masses to live and fight while entrusting all their destinies to the party and the leader. By making every effort for people-oriented policies presented by the party and the leader to demonstrate their great vitality, our party members have the people be deeply aware of the party's great love and consideration and repay it with loyalty and filial obedience.

In particular, all our party members lead the masses by setting practical examples and struggle, playing a great role in upholding the dear comrade leader. It is our party members who stand at the head of the struggle to death-defyingly protect the party and the leader. It is also our party members who accept the leader's [yongdoja] ideas and lines as absolute ones and take the initiative in displaying a great self-sacrificing spirit to implement them. Our people learn the fervent loyalty to the leader [yongdoja] by following party members' practical behaviors and are uniting themselves even more firmly around the party and the leader.

Our party members always share sufferings and happiness with the masses; make them bear deep in their hearts burning loyalty to the leader [yongdoja], as standard-bearers of the ranks and as genuine instructors of the masses; and display the communist virtue and the sublime revolutionary comradeship based on the revolutionary view of leader. Thanks to these reliable party members, the single-hearted unity of our party and the revolutionary ranks has been consolidated to be an invincible unity that cannot be broken by any force.

The wise leadership of the party and the leader has enabled our party members to carry out their core role in the long-term struggle to strengthen the single-hearted unity of our party and revolutionary ranks.

From the beginning since he launched into the revolution at an early age, the great leader keenly envisaged the significance of the core role in achieving unity. Thus, he raised a strong core, based on which he achieved the consolidated unity and cohesion of revolutionary ranks and constantly strengthened it. The valuable tradition of

our revolutionary ranks' single-hearted unity is being protected, defended, succeeded, and developed by the dear comrade leader. The dear comrade leader has presented a direction and method for our party members to play the core and vanguard role in the struggle to strengthen the unity and cohesion at every stage of the developing revolution, and has led them. Our party members' political and ideological traits have entered a new higher stage under the leadership of the great leader [yongdoja], and they are fulfilling their sublime mission and role in strengthening our single-hearted unity.

Today, the party has great expectations and trust of our party members.

All our party members should always deeply be aware of their position, role, and sublime mission in the struggle to strengthen our revolutionary ranks' single-hearted unity centered around the great leader [yongdoja], and should fulfill their core and vanguard role even more excellently in the struggle to strengthen the single-hearted unity.

Article Lauds Theory on Sociopolitical Life

SK0410150594 Pyongyang NODONG SINMUN in Korean 1 Sep 94 p 2

[Article by Yim Su-il: "A Chuche-Oriented Theory on Sociopolitical Life"]

[FBIS Translated Text] In essence, mankind's living [sam] is a course of satisfying the demands of life [saengmyong]. Therefore, it is an indispensable demand for one to have a correct view of life in worthily enjoying one's lifetime [insaeng].

Over the past years, one frequently thought about a physical life when one talked about life. There were discussions of the eternal life that differs from the limited physical life [yuhanhan yukchejok saengmyong], considering the history of one's philosophical ideology. These discussions were neither scientific, nor practical, nor idealistic, but nothing but an assertion without a firm theoretical basis.

The problem of one's life one has ardently sought to solve for a long time has been perfectly solved by the dear leader Comrade Kim Chong-il based on the monolithic systemization of theory on the sociopolitical life.

Based on his explanation of one's intrinsic existence, the dear comrade leader has elucidated that one has the eternal sociopolitical life that differs from one's physical life. Furthermore, he has fully systemized a unique ideological theory on the sociopolitical life.

The dear leader Comrade Kim Chong-il has indicated: We cannot think about the eternal sociopolitical life apart from a sociopolitical collectivity, a unified body of the leader [suryong], the party, and the mass. An individual can have an eternal sociopolitical life, only if he becomes a member of such sociopolitical collectivity.

The important thing in the ideological theory on the sociopolitical life elucidated by our party is, above all, that one—who is part of a social existence—has a sociopolitical life that basically differs from a physical life, because one has independence, creativeness, and consciousness as one's natural character.

The way one views one's existence is an initial precondition for determining how one formulates one's view of life.

There were various views of one's intrinsic existence over the past years, but most of them had stemmed from the characteristics that differed from animals, not from one's quality [songjil] in relations with the world, when we regard one as the most developed being from the biological point of view. If we regard people as a biological entity, we cannot ignore our narrow view of regarding a physical life as the only life of people.

The precedent revolutionary theory of working class has defined one's intrinsic existence as a whole [chongche] of social relations, attaching a decisive significance to material production and social relations in people's activity. As a result, in a study of one's intrinsic existence, a biological view has been obliterated, but instead the social character of one's existence has been disclosed. However, the preceding theory could not correctly elucidate one's intrinsic existence as ruler and remaker [kaejoja] of nature and society by stressing that one can be defined by material condition and circumstance.

The dear leader Comrade Kim Chong-il has defined that one is a social entity who has independence, creativeness, and consciousness. As a result, a perfect explanation regarding one's intrinsic existence as ruler and remaker of the world has been given. Also, the ideological and theoretical foundation—which makes us correctly solve the problem on people's life—has been prepared.

Among independence [chajusong], creativity, and consciousness, which are human qualities, independence is the most important one. As such, mankind is called social beings who take independence as their life.

When we say independence is the life of mankind, it means sociopolitical life. If the physical life is one's life as a biological organism, the sociopolitical life is one's life as a social being. When one is socially exiled and loses political independence, although one keeps on breathing, his life as a social being is dead. Therefore, revolutionaries think it is more honorable to fight for freedom and die than to be someone else's slave to maintain life.

Another important point of the ideological theory regarding sociopolitical life explained by our party, is that the popular masses can only possess sociopolitical life when they are united as one around the party and the leader.

That one possesses sociopolitical life as a social being with independence, creativity, and consciousness means one has a new life called sociopolitical life, which is different from physical life. It does not mean that anyone can naturally possess sociopolitical life.

Only when they are firmly bonded [kyolsok] around the party and the leader in one ideology and one organization, can the popular masses become the independent main forces that independently and creatively pioneer their destiny, and possess sociopolitical life.

However clever an individual may be, there is a limit to his strength and wisdom. An isolated individual cannot be the main force of the movement of social history or possess sociopolitical life as a social being with independence, creativity, and consciousness. The mother body of mankind's sociopolitical life is not individuals but a social group. Individual human beings possess sociopolitical life when they share the destiny with the social group as a member.

No matter how rich one's knowledge, and outstanding his talent may be, one cannot possess sociopolitical life given by the leader if he is not organizationally united with the leader. To be disjoined from the organization means to lose one's sociopolitical life. The reason we call the leader the fatherly leader and the party the motherly party is because the party organization centered by the leader is the mother body of sociopolitical life.

Another important point of the ideological theory regarding sociopolitical life set forth by our party, is that sociopolitical life is the first life of social human beings.

One's physical life and sociopolitical life are both valuable. However, the most important life for human beings, who are social beings, is sociopolitical life. The physical life has its meaning as a physical guarantee for elucidating the sociopolitical life. The physical life itself does not mean anything.

The reason the sociopolitical life is the first life of a social human being is that one can only become the master of the destiny of the world and himself and live humanly when one is united as a sociopolitical body and possesses political life. An individual's physical life may end but his sociopolitical life lives forever.

For a social human being, upholding the leader and glorifying the sociopolitical life is the true life that is full of joy and pride, and the most brilliant life of which eternal happiness for oneself, as well as his descendants, is guaranteed. One who only pursues individual interests and comfort, not caring about the leader, the fatherland, and the nation, is useless and pitiful. For mankind, one day in the bosom of the party and the leader with lofty political life to burn one's heart for the nation and the people is more valuable and precious than a hundred days or a thousand days spent worthlessly.

The sociopolitical body—the united body of the leader, the party, and the masses—has immortal life and

develops forever as it lives on. Because the sociopolitical body is immortal, political life, which stems from the sociopolitical body, lives forever.

Today, our people have the bosom of immortal life that brings about brilliant life—the great bosom of the dear leader Comrade Kim Chong-il.

Recalling history, there are numerous true human beings who laid down their youths and lives to fight for the independent cause of the popular masses. But not all of their feats are always glorified and remembered by mankind. Looking around today's world, we easily find the souls and feats of those who laid down their youths for the fatherland and the people ruthlessly trampled and humiliated in countries where socialism failed. The reason the destiny of the heroes and veterans have become so miserable is because they met a wrong leader.

The bosom of the dear leader Comrade Kim Chong-il is a bosom of a benevolent father that gives immortal glory and happiness to revolutionary fighters who unhesitatingly laid down their youths and lives to fight for the party, the leader, the fatherland, and the people. Because there is the bosom of the great leader [widaehan yongdoja], who thinks not forgetting the fighters who bravely fought on the single road of revolution is comradeship, the fighter, who was called by the prisoner's number without a name in a cold cell in the South, could revive as the reincarnation of faith and will and as the world's renowned Yi In-mo. So could heroes Kim Kwang-chol and Han Yong-chol, who laid down their blossoming youths for comrades-in-arms, as well as our People's Army fighters, live and shine on with immortal appearances.

In our country, all the people are firmly united around the dear leader Comrade Kim Chong-il as a single-hearted sociopolitical body. The iron-clad faith and will to share life and death, and destiny with the great leader [widaehan yongdoja] in any adversity is ardently pulsing throughout society. It is a true outlook on life vigorously rooted deep in the hearts of all of our people to endlessly glorify the sociopolitical life in the rewarding struggle to elucidate our glorious era named after the esteemed name of the dear comrade leader.

Pyongyang Film Festival Draws 'Capacity Crowds'

*SK0310235494 Pyongyang KCNA in English 1040
GMT 3 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 3 (KCNA)—The fourth Pyongyang Film Festival of the non-aligned and other developing countries which opened on September 26 is drawing capacity crowds of moviegoers.

The Pyongyang International Cinema House, the People's Palace of Culture and other cinema houses in the city are animated every day with people coming to see films vividly depicting the struggle and noble mind of

the people of the world desirous of building a free and peaceful new world without aggression and war, domination and subjugation.

The movies are shown repeated every day to full houses.

Feature and documentary films presented by Cuba, Ethiopia, Thailand, Poland, Egypt, Zambia, Nigeria, Togo, Tanzania, Nepal, Australia, Syria, Palestine, Colombia and other countries have been shown during the last few days at the movie rooms of the Pyongyang International Cinema House on the Yangak Islet of River Taedong, the main venue of the festival.

The cinemagoers were deeply impressed by the Cuban feature film "Two Courses of Life" portraying two exiles who have gone to an alien land betraying the motherland, only to pine for the homeland, the Syrian feature film "The Greedy" depicting brothers who fight over the land left by their father, bringing death to the whole family, and the Nepalese feature film "Mukti Sanghasha" exposing inhumane acts of alluring women with money and power and violating them.

The feature films thick in national flavour accentuate the significance of the festival for their profundity and richness of content, refined acting of the actors and actresses, and the diversity and vividness of shooting techniques.

The Korean feature film "The Kind-Hearted Girl" was another hit. It vividly depicts the noble moral traits of a girl who brings up two orphan children.

Minister Delivers Closing Address

*SK0410110794 Pyongyang KCNA in English 1031
GMT 4 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 4 (KCNA)—The Fourth Pyongyang Film Festival of non-aligned and other developing countries which opened in the capital of the Democratic People's Republic of Korea on September 26 closed today.

Presented to the festival were many feature and documentary films on the efforts of the peoples of non-aligned and other developing countries to build a new world, independent, peaceful and prosperous, their diverse customs and their noble spiritual world.

Deep respect for the great leader President Kim Il-song who performed undying feats for the human cause of independence and the strengthening of the Non-aligned Movement was expressed during the festival.

Bangladeshi and Togolese delegates made speeches at the closing ceremony which was held at the Pyongyang International Cinema House.

They said that though the great leader President Kim Il-song passed away, he will always be alive in their hearts. Noting that the festival was held as a grand

international function, they added that this demonstrated the staunch will of the Korean people to change sorrow into strength and courage under the guidance of his excellency the dear leader Kim Chong-il.

They stressed that the festival was perfectly and successfully held on a high level.

A letter of thanks to Comrade Kim Chong-il, the dear leader of our party and our people, was adopted in the name of the participants in the festival.

In his closing address, Chang Chol, vice-premier and minister of culture and art and chairman of the organising committee of the festival, said the festival showed the will of the peoples of non-aligned and other developing countries to strengthen the Non-Aligned Movement and actively realise South-South cooperation in film art under the banner of independence, peace and friendship.

"Through the festival, we have become convinced that the film production in non-aligned and other developing countries has reached a high level and better films will be produced in larger quantities by them," Chang Chol said. "Drawing on the success and experience of the festival, we will develop the Pyongyang film festival into a more grandiose international festival."

Festival prizes were awarded before the closing ceremony.

The Pyongyang film fair which opened on September 27 closed on Monday.

Details of Prizes Awarded

SK0410154894 *Pyongyang KCNA in English 1520 GMT 4 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 4 (KCNA)—Decisions of the international jury of the Fourth Pyongyang Film Festival of non-aligned and other developing countries which was held from September 26 to October 4 were published.

The prize awarding ceremony took place at the Pyongyang International Cinema House on October 4.

The Torchlight Gold Prize, the Torchlight Silver Prize and the Torchlight Bronze Prize, the main prizes for excellent films, and prizes for successful scenario, production, shooting and acting were awarded as follows:

Documentary films:

Torchlight Gold Prize to the Egyptian documentary film "Scarecrow"

Torchlight Silver Prize to the documentary film of the General Association of Korean Residents in Japan (Chongnyon) "The Glorious Road of Chongnyon"

Torchlight Bronze Prize to the Ethiopian documentary film "For the Solution of Water"

Prize for shooting to the Korean documentary film "Four Seasons of Pyongyang"

Prize for production to the Malaysian documentary film "Gracious Living"

Prize for composition to the Tanzanian documentary film "Give Them a Chance"

Feature films:

Torchlight Gold Prize to the Vietnamese feature film "Wild Reed"

Torchlight Silver Prize to the Indian feature film "Return to Zero"

Torchlight Bronze Prize to the Chinese feature film "Country Teachers"

Prize for acting to Abolfazl Poor Arab who played the leading part in the Iranian feature film "Bride" and to Kim Kyong-ae who played the leading part in the Korean feature film "Kind-Hearted Girl"

Prize for shooting to the Cuban feature film "Honeyd Lie"

Prize for production to the Indonesian feature film "Letters for an Angel"

Prize for scenario to the Uzbek feature film "Woman of Steel"

Special prize of the international jury of the Pyongyang International film festival to the Egyptian feature film "America Abraracadabra"

Special prize of the organising committee of the Pyongyang film festival to the Thai feature film "Nampu" and the Cambodian feature film "Miserable Life of Peasant Brother and Sister".

Besides, prizes of ten public organisations of Korea including the General Federation of the Unions of Literature and Art of Korea, the Korean Movie Men's Union and the Korean Committee for Afro-Asian solidarity were awarded to feature films of Mongolia, Australia, Syria, Pakistan, Togo, Bangladesh, Germany, Nigeria, Colombia, Poland and Nepal and to the documentary film of the UNDP [United Nations Development Program].

South Korea

Han: North Faces UN Sanctions if Rods Replaced

SK0510015294 *Seoul YONHAP in English 0138 GMT 5 Oct 94*

[FBIS Transcribed Text] New York, Oct. 4 (YONHAP)—South Korean Foreign Minister Han Sung-chu met U.S. nuclear ambassador Robert Gallucci at the UN Plaza Park Hotel here Tuesday afternoon to discuss the North Korea-U.S. nuclear talks resuming in Geneva on Wednesday.

Han said Washington should push what was agreed during the South Korea-U.S. foreign ministers' meeting early last month at the high-level talks with North Korea in Geneva—Pyongyang's adoption of the South Korean model of light-water reactor and a guarantee of nuclear transparency.

Gallucci is the chief U.S. delegate to the Geneva talks.

Han also asked Gallucci to make it clear that should North Korea reload its 5-megawatt reactor with new fuel rods, it would face a UN Security Council resolution on sanctions, officials said.

Moreover, he told Gallucci to clearly inform his North Korean counterpart that in case the Geneva talks fail to settle the nuclear issue in the foreseeable future, Seoul and Washington will have no choice but to resume the "Team Spirit" joint military exercise that was suspended last April.

Gallucci, briefing Han on a high-level security meeting held by the U.S. Government on Monday, said the Geneva talks will continue insofar as North Korea freezes its nuclear activities by not reprocessing the spent fuel rods and by allowing International Atomic Energy Agency (IAEA) experts to continue inspections in the North, as agreed between former U.S. President Jimmy Carter and the late Kim Il-song in Pyongyang last June.

Earlier in the day, Han called on the UN General Assembly chairman and told him that South Korea stands ready to help North Korea develop its economy when the nuclear issue is settled, adding that Seoul's door for inter-Korean dialogue is always open.

Before his meeting with Han, Gallucci told South Korean reporters there was no change in the U.S. position on special international inspections of North Korea's undeclared nuclear sites.

The North Korean nuclear issue was on the agenda at Monday's high-level security meeting in Washington, he added.

Asked about the Geneva talks which reopen Wednesday, he said he could not comment on the prospects.

On the possibility of referring the nuclear question to the UN Security Council in case the talks fail, Gallucci said he didn't care to predict the final outcome.

He said he would enter Wednesday's negotiations with North Korea carrying the same position he took into earlier meetings.

Gallucci left for Geneva Tuesday evening after his meeting with the South Korean foreign minister.

President Kim Interviewed on Reactors for DPRK

*SK0510114894 Seoul YONHAP in English 1121 GMT
5 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 5 (YONHAP)—President Kim Yong-sam on Wednesday stressed that the North Korean nuclear question can be solved only when the North's nuclear transparency is ensured through special inspection.

"The light-water atomic reactors which would replace North Korea's existing graphite modulated reactors should always be the South Korean style," he said.

In an exclusive interview with the daily KYONG-HYANG SINMUN, the president said his government is not in haste to settle the nuclear issue. "Time is on our side," he said.

Kim said that so far as the nuclear question is concerned, the United States would not make any decision that is opposed by the Seoul Government.

"Russian President Boris Yeltsin asked for the use of Russian-type reactors during his recent visit to Washington, but President Clinton rejected it saying a conclusion had already been drawn in favor of the South Korean type," he said.

Turning to the issue of summit talks, President Kim said that since the planned summit has been postponed indefinitely due to the North's situation, North Korea ought to ask for it if it is interested.

He said that if the two sides agree to hold a summit, its site should be agreed on anew since there is a change in the situation. The summit was originally set to take place in Pyongyang.

President Kim rejected as "not standing to reason" the North Korean demand that the South make an apology over its failure to offer condolences over the death of Kim Il-song.

Regarding the question of South Korean businessmen's visit to North Korea, Kim said his government would decide on the matter depending on the progress of the nuclear question.

"However, we will deal flexibly with some individual cases," the president said.

Turning to domestic issues, Kim reiterated he does not consider supporting any amendment to the Constitution during his term of presidency, adding he does not want to see the nation squander its energy on not so pressing matters.

He also predicted most of the major economic indices set for this year would be achieved as planned.

"Price spiral would be contained within 6 percent, economic growth would reach 8 percent and exports would total about 92 billion dollars this year," he said.

Imports would somewhat exceed the original plan but this is unavoidable due to positive facilities investment among industries, the president said.

DPRK Air Force Reportedly Increases Activities

*SK0510070594 Seoul YONHAP in English 0630 GMT
5 Oct 94*

[FBIS Transcribed Text] Kyeryongdae, South Chung-chong Province, Oct. 5 (YONHAP)—The North Korean Air Force, despite a serious oil shortage, has recently increased its activities sharply and reinforced offensive

air exercises with bombers, low-altitude and low-speed aircraft to maintain a high degree of combat readiness.

Air Force Chief of Staff Gen. Kim Hong-nae, reporting to the National Assembly Defense Committee during its inspection of the air force, said Wednesday: "Forty percent of North Korea's combat aircraft are positioned South of the Pyongyang-Wonsan line, ready to go into combat immediately."

The North boasts over 1,630 aircraft of various kinds: It also has 840 tactical fighters, 2.3 times the fighters possessed by the South Korean air force.

Given the limited time in the event of a surprise air attack from the North, Gen. Kim told the committee that "a 24-hour surveillance system" is being strengthened in collaboration with the United States Air Force, and that the fighting capability of air force bases in the central and northern regions of the country is gradually being supplemented.

Detailed plans have been mapped out to neutralize North Korea's war power in case of hostilities by destroying strategic weapons and munitions facilities, the air force chief said.

Gen. Kim also reported that the air force will secure a modern strategic structure in the future under which it can conduct air operations by itself.

'Highly Placed Source' on Kim Il-song Rumors

*SK0510083794 Seoul YONHAP in English 0825 GMT
5 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 5 (YONHAP)—A rumor making the rounds in Pyongyang has it that de facto North Korean leader Kim Chong-il assassinated his father, President Kim Il-song, a highly placed source in the ruling camp said Wednesday [5 October].

The source, who is well versed in North Korean affairs, asserted that the existence of the rumor has been confirmed by a number of Japanese and Chinese who have recently been to the secretive country. Irrespective of the authenticity of the rumor, the source observed that its mere existence portends a considerable blow to Kim Chong-il even if he formally succeeds his late father, and consequently could mean a short stay in power.

The rumor reportedly goes that the autopsy of the senior Kim's body, conducted immediately after his death, was aimed at removing shrapnel and that the decision to bury him was made lest the public learn of his true fate.

Noting that just prior to his death, the senior Kim had made more frequent provincial inspection tours than the junior Kim, the source said another rumor claims that Kim Il-song, due to his mistrust of his eldest son Chong-il, was poised to take away the authority that had been given to his son.

Further talk circulating in the North says that Kim Pyong-il, Chong-il's half-brother and the ambassador to Finland, upon returning home late last year, personally reported to his father on the people's plight. This so infuriated Kim Il-song that he proceeded to scold Chong-il severely, the source said.

Hanchongnyon 'Contacts' Pro-North Group in Berlin

*SK0510075494 Seoul YONHAP in English 0620 GMT
5 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 5 (YONHAP)—An activist student organization here made 71 telephone and facsimile contacts with a pro-North Korean youth-student group in Berlin between February and July, the Seoul District Public Prosecutor's Office revealed Wednesday [5 October].

The prosecution, investigating an illegal visit to Pyongyang late last week by Choe Chong-nam, 25, co-secretary-general in South Korea of the Federation of Youth and Student Associations for Unification of the Fatherland (Pomchonghangnyon), said the Federation of Korean Student Associations (Hanchongnyon) had pushed for Choe's trip through phone and facsimile communication with Pomchonghangnyon's joint secretariat in Berlin.

Choe has long been absent from the agricultural college at Seoul National University to work for Pomchonghangnyon.

During the six-month period ending in July, Hanchongnyon made 71 telephone and facsimile contacts with four people in Berlin—10 with Choe, 34 with Song Yong-song, 17 with Kim Min-ki and four with Pak Song-hui—all at its own expense, a spokesman said.

In addition, the Federation of Seoul Student Associations (Sochongnyon), which is under Hanchongnyon's umbrella, had one and four telephone contacts with Choe and Song, respectively.

The prosecution also detected the activist student organization's four telephone conversations in China with Che Hye-chi, who is believed to be a North Korean contact in Pomchonghangnyon.

Song and Pak are on the staff of Pomchonghangnyon's joint secretariat in Berlin, and both left Seoul in June 1991 on an ostensible visit to Pyongyang to promote a youth-student march from Mt. Paektu in North Korea to Mt. Halla in South Korea.

Kim Min-ki's activities in Berlin are not yet known to the prosecution.

North 'Reconciliation With Seoul' Emphasized

*SK0510023194 Seoul YONHAP in English 0217 GMT
5 Oct 94*

[FBIS Transcribed Text] Boston, Oct. 4 (YONHAP)—South Korean Foreign Minister Han Sung-chu said

Tuesday (Boston time) that North Korea cannot improve relations with the United States unless it reconciles with South Korea.

In a speech at Harvard University's Institute of Politics Arco Forum of Public Affairs, Han said North Korea's nuclear development program resulted from its failure to adapt to the post-Cold War international order and to improve relations with South Korea.

"Pyongyang must realize soon that without reconciliation with Seoul, all of its endeavors will lead nowhere," he emphasized.

The foreign minister noted that recent global developments have seen the east European countries abandon socialism while socialist Asian countries, under China's cultural influence, push for transformation through gradual reform.

North Korea, he pointed out, belongs to the Chinese cultural sphere and should transform just as Vietnam did, emulating China because "it is the only way for North Korea to get out of its present predicament."

Pro-North Organs' Development in U.S. Feared

*SK0510120094 Seoul KBS-1 Radio Network in Korean
1100 GMT 5 Oct 94*

[FBIS Translated Text] The government feels that if a liaison office is established between the United States and the DPRK, pro-North Korean organizations—such as the pro-Pyongyang Federation of Korean Residents in Japan [Chochongnyon]—may be formed in the United States. Thus, the government is taking measures to deal with this.

This was revealed by the Foreign Ministry in material submitted to the National Assembly concerning a parliamentary inspection of the administration. To help Korean residents in the United States understand the differences between South and North Korea, the government plans to increase publicity and strengthen ties with Korean residents in the United States through educational, cultural, and youth works.

The Foreign Ministry stated that in the United States, organizations such as the National Alliance for the Country's Reunification have recently been actively serving as intermediaries for Korean residents in the United States, encouraging them to visit the DPRK; pro-North Korean organizations such as the North American-DPRK Friendship Association are being formed by Korean residents in the United States.

U.S. Lists Auto Industry as 'Area of Concern'

*SK0510092494 Seoul HANGUK ILBO in Korean
5 Oct 94 p 6*

[Article by Washington correspondent Chong Chin-sok]

[FBIS Translated Text] The 3 October U.S. Government report to Congress lists South Korea's auto industry as an "area of concern" under the Super 301 Trade Act. Thus, ROK-U.S. trade negotiations have become the focus of attention. The United States listed no country as requiring priority negotiations under the Super 301 provision, and merely included Japan's barriers to timber and paper imports in the "watch list"—an immediately higher level than an "area of concern."

It is speculated the watered-down report was a result of U.S. concerns that trade conflicts between the United States and Japan may trigger a financial crisis and significantly affect the domestic economy.

The South's barriers to auto imports are merely included in the list of "areas of concern," which also names the EU's [European Union] barriers to imports of power generation equipment, Canada's barriers to imports of dairy and livestock products, and India's barriers to imports of textile goods. This means the ROK has avoided the danger of being included in the list of countries requiring priority negotiations or in the watch list, which may be followed by retaliation from the United States.

ROK trade officials in Washington say the announcement "contains nothing to worry about." They add that by naming South Korea's auto industry as an area of concern, the United States literally expressed its concern about the ROK-U.S. negotiations on this matter, adding this does not signal the start of retaliatory procedures under the Super 301 Trade Act.

They even praised themselves by stating: The United States did not include the ROK in the list of countries requiring priority negotiations or in the watch list because it highly assessed the ROK's recent measures to open up its auto market. The intention is to say we have nothing to worry about because no retaliation was dealt to us under the Super 301 Trade Act.

However, if we closely examine the announcement, we can easily notice the U.S. warning that it will continuously exert pressure to open up the ROK auto market. The U.S. report describes areas of concern, including South Korea's auto industry, as "important areas requiring negotiation." This means the United States virtually made it clear it will continue its trade pressure in those areas. Last June, the ROK presented measures to the United States to bring down the barriers, which including reducing the tariff by 2 percent.

The domestic auto industry insisted this was a concession so substantial it could not live with it. Nevertheless, the United States expressed its displeasure with the ROK's concession by listing the ROK auto industry as an area of concern. In other words, the United States is repeatedly threatening to pressure the ROK to open up its auto market until Seoul reduces its tariff for auto imports to international levels and abolishes the practice of levying special excise taxes on imported cars based on engine displacement.

Foreign Minister Han Sung-chu and Trade Minister Kim Chol-su, who recently visited Washington, expressed an optimistic view, saying: "The Super 301 provision is intended for Japan. We are not in danger of being affected by this provision." Nevertheless, the United States, by using the Super 301 provision, is launching a series of attacks on the ROK to sell U.S.-manufactured cars in South Korea.

The United States has selected South Korea's auto industry, among numerous trade practices of other countries, and listed it as an area of concern to be continuously watched. This is a revelation of the United State's force-backed trade policy guideline, and should be considered as a serious matter. The United States has begun its campaign to open the South Korean auto market, expressing its hope that the ROK Government will take the lead in improving people's perception of foreign cars. Many point out it is foolish to argue over whether or not a blow has been dealt.

U.S. Newspaper Distributor Sought for Swindling

SK0510041994 Seoul YONHAP in English 0141 GMT 5 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 5 (YONHAP)—Police asked the emigration authorities Tuesday to block the Seoul distributor of the PACIFIC STARS AND STRIPES, who is suspected of swindling a Korean citizen out of 660 million won (825,000 U.S. dollars), from leaving the country.

The Korean-American distributor, Gerald Francisco Lee, 43, allegedly cheated a certain Lee by claiming he would arrange for the latter to obtain 8th U.S. Army concessions for running an enlisted men's mess hall and vending machines. In the course of receiving the money on 11 occasions since April, Gerald Lee claimed to be close to a number of prominent political figures including a former president, according to police.

Police have also started checking his bank accounts under a search warrant issued by the court.

Czech Prime Minister Arrives in Seoul for Visit

SK0510113394 Seoul YONHAP in English 1033 GMT 5 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 5 (YONHAP)—Czech Prime Minister Vaclav Klaus arrived here Wednesday [5 October] for an official visit at the invitation of President Kim Yong-sam.

During his three-day stay, Klaus is scheduled to meet with President Kim to exchange views on major international issues and to discuss matters of mutual concern such as promoting bilateral cooperation.

He will also tour various industrial facilities, including a factory owned by Samsung Electronics Co.

Klaus is the first prime minister from the Czech Republic to visit South Korea since the Central European country separated from Slovakia in January 1993.

He is being accompanied by 48 Czech business figures, who are slated to meet with South Korean businessmen and tour industrial facilities.

The prime minister's visit is expected to intensify the basis for substantial bilateral cooperation in the economy and in trade. In addition, more South Korean businesses are expected to advance into Central and Eastern Europe using the Czech republic as a bridgehead.

Klaus wants to hear of Korea's experience in industrialization as a reference for his country's switch to a market economy and of the current state of democratization and reform under the Kim administration.

No-Visa Period for Japanese Visitors Extended

SK0410113094 Seoul YONHAP in English 1040 GMT 4 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 4 (YONHAP)—The government has decided to extend the period of the present no-visa-system for Japanese visitors to next year, a Justice Ministry official said Tuesday.

The no-visa system has originally been introduced only for this year, "Visit Korea Year," as a means of inducing more Japanese tourists to visit Korea.

Under the system, Japanese travelers are allowed to enter South Korea and stay for up to 15 days without visas.

The official said the decision is based on the judgement that the no visas for Japanese people have been contributing much to the country's tourism.

Apparently influenced by the system, Japanese visitors to South Korea numbered about 780,000 in the first half of this year, up 33.1 percent over the like period of last year, the official said.

GTCS Exports Increase in Sep Compared to 1993

SK0510075894 Seoul YONHAP in English 0626 GMT 5 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 5 (YONHAP)—Exports by Korea's General Trading Companies (GTCS) surged 20.5 percent in September over a year earlier to 3.63 billion U.S. dollars, business sources said Wednesday [5 October].

Samsung Co. topped 1 billion dollars in exports for the second consecutive month, fueled by a good performance in semiconductors, to reach 1.08 billion dollars, an increase of 25.7 percent over the same month last year.

Hyundai Corp., which got back on the right track after settling labor disputes, enjoyed 21.2-percent export

growth to hit 801 million dollars, while shipments by Daewoo Corp. climbed 19.0 percent over a year earlier to 665 million dollars, supported by an export boom in electric and electronic products.

Exports by Lucky-Goldstar International Corp., which also experienced healthy growth in electric and electronic goods, rose 12.3 percent to 401 million dollars while Ssangyong Corp. posted shipments worth 240 million dollars, up 19.4 percent.

Sunkyong Ltd.'s exports soared 17.4 percent to 236 million dollars, while those by Hyosung Corp. jumped 18.9 percent to 208 million dollars, according to the sources.

Meanwhile, the GTCS rang up 28.96 billion dollars in total exports during the January-September period, an increase of 17.0 percent from the corresponding months of last year. The figure compares to the 13.6-percent growth rate for the country's total exports during the cited period.

Samsung showed a brisk export rise of 22.9 percent over the year before during the first nine months to 8.57 billion dollars, while Hyundai posted exports worth 6.46 billion dollars, up 19.5 percent.

Daewoo saw 4.78 billion dollars in exports, an increase of 9.2 percent, while Lucky-Goldstar recorded a growth rate of 28.9 percent, the highest among the GTCS, to 3.59 billion dollars, the sources said.

Effect of Reshuffle on Economic Policy Viewed

SK0510083494 Seoul THE KOREA TIMES in English
5 Oct 94 p 2

[By staff reporter Kim Song-pok]

[FBIS Transcribed Text] Tuesday's [4 October] minor reshuffle of top economic policy planners demonstrates President Kim Yong-sam's intention to keep the present economic policy.

Holding the view that the economy is moving on the right track, President Kim saw no reason to conduct an across-the-board shakeup, according to presidential spokesman Chu Ton-sik.

In this context, Hong Chae-hyong was named deputy premier-economic planning minister in recognition of his efforts for financial reform, including the implementation of the "real-name" system.

On top of this, President Kim had to take into account the ongoing National Assembly inspection of the administration and its deliberation of the 1995 budget.

The minor shakeup was triggered by the resignation of Chong Chae-sok as Economic Planning Board (EPB) minister who told Kim Saturday that he cannot fulfill his duties for health reasons.

Another feature of the replacement was that President Kim's former "private tutors" on economic affairs made a strong showing as major economic policy architects.

New presidential economic aide Han I-hon had been Kim's trusted economic advisor since 1992.

New Finance Minister Pak, who joined Kim's camp sometime later than Han, was Kim's private economic tutor. Despite some criticism of his job performance, President Kim might have credited him for having successfully coordinated economic policies as the senior presidential secretary.

After his appointment, Pak told reporters that he will concentrate on developing a taxation system with the goal of fair taxation and preventing a tax "drain" as seen in Inchon.

He also revealed that he will energetically pursue a market liberalization policy and introduce genuine entrepreneurship in the financial industry, keeping government interference to the minimum as much as possible.

However, with Han being appointed to Pak's post, some are concerned about possible cacophony among economic agencies because of Han's strong personality.

Meantime, Chongwadae [presidential offices] explained Chong's sudden resignation was due to his illness.

Spokesman Chu told reporters that President Kim did not know of Chong's illness until Chong visited him last Saturday to tender his resignation.

But Chong's aides reportedly revealed that Chon's health problem was not so serious.

Chongwadae expected much of Chong in the work of carrying out economic reform when he was tapped as the top economic planner. Chong, who once served as trade-industry minister during the Pak Chong-hui administration, was picked, to the surprise of many, as transportation minister in October, 1993 and then appointed as EPB minister just two months later.

But the recent assessment of his job performance was that he failed to meet expectations in tightening his grip on economic agencies to push reform and development.

The opposition party has demanded a reshuffle of ministers responsible for foreign affairs, national unification plus the presidential aides for national security in connection with the government policy toward North Korea.

President Kim is also under pressure to sack Home Minister Choe Hyong-u, one of his long-time confidants, holding him responsible for the recent "tax theft" and crimes which shocked the whole nation.

Political observers said that President Kim may conduct a major Cabinet reshuffle toward the end of this year or

early next year in a bid to add vigor to his push for reform in the third year of his term.

No 'Drastic Changes' Seen in Economic Policies

SK0510082794 Seoul THE KOREA TIMES in English
5 Oct 94 p 8

[By staff reporter Kim Chang-yong]

[FBIS Transcribed Text] There may not be drastic changes in government policies despite the partial reshuffle of economic ministers and the senior presidential secretary for economic affairs yesterday, analysts said.

All the three top economic policy-makers were deeply involved in the production of the five-year economic plan, the basic economic guideline of the Kim Yong-sam administration, even before its inauguration in February last year.

The chief of the new economic team, Deputy Prime Minister-Economic Planning Minister Hong Chae-hyong, had taken charge of financial, monetary and tax policies, a core part of overall economic works.

New Finance Minister Pak Chae-yun had coordinated economic policies from the back seat as senior presidential secretary for economic affairs. His successor, Han I-hon, had chaired a meeting of vice ministers who formally study all government measures before they are implemented.

Actually, with their activities in the Chong Chae-sok team, they must be given much of the credit for the achieved economic growth and price stability, two key goals of the administration.

Official figures show that the economy grew a robust 8.5 percent during the first half of this year and completely wiped away worries of a prolonged slow-down. Prices rose 5.7 percent during the first nine months, below the ceiling of 6 percent for this year.

Yet there is the probability of new color being added to the existing policies because Pak and Han, close confidants of President Kim and idealists with strong personalities, want to make the most of their powerful posts.

Analysts generally agreed that ex-professor Pak and EPB [Economic Planning Board] man Han, both Kim's economic tutors, would speed up reforms jointly but in quite different ways.

"The new finance minister will given fresh impetus to the deregulation program for the financial sector, one of the most backward industries in the nation, while the new senior presidential secretary will focus his efforts on generating fair and open conditions for 'economic justice' now," one analyst said.

In a recent interview with THE KOREA TIMES, Han stressed the need for an adjustment of interests between

the public and private sectors and a strong "business-government partnership" that can cope with globalization.

Han, in particular, took the lead in taming large conglomerates as chairman of the Fair Trade Commission, an anti-chaebol watchdog at the Economic Planning Board, last year.

Since President Kim pushed big businessmen to invest more in a bid to put vigor back into the economy a year ago, analyst viewed, the administration's fair-flung campaign for discipline has eased and large groups have furrowed the brows of people with their dog fighting for a larger stake in government projects.

The idealists will be backed effectively by their boss, Hong, a seasoned bureaucrat who succeeded in introducing the real-name financial transaction system in blitz action in August last year, a project which won him the president's great trust.

The system, widely regarded as the highlight of economic reform, was enacted in the previous No Tae-u administration but was put on the shelf for several years because of fears of a backlash, coupled with strong protests by the Federation of Korean Industries group for large companies.

Hong squeezed the financial source of the Hyundai Group as president of the state-run Korea Exchange Bank, its major creditor, during the 1992 presidential campaign as a means to put pressure on Hyundai founder Chong Chu-yong, who then challenged ruling party candidate Kim Yong-sam.

But their past achievements do not necessarily assure them of more luster in their new jobs, according to analysts.

Pak has no experience in managing a large organization like the Finance Ministry. In the eyes of analysts, Han has too forceful a personality to be able to compromise with economic ministers.

The shakeup appears inopportune though Chong's illness was discovered just last week. He took part in a couple of hours of a Cabinet meeting yesterday.

It is very rare to replace ministers during the National Assembly's annual inspection of the executive branch. Furthermore, Hong was on his way to Madrid to attend the IMF-IBRD [International Bank for Reconstruction and Development] meeting. After the joint congress, he was due to visit Portugal and Switzerland as the president's special envoy.

"The way President Kim treats the Cabinet is unworthy of a non-military government," commented an analyst. "It is more like a military operation."

Many observers had expected that there might be a drastic Cabinet reshuffle after the majority government party railroads a bill to ratify the Uruguay Round accord early in December.

Brunei, Malaysia & Singapore**Malaysia****Minister Says EAEC No Threat to U.S. Interests***BK0410132594 Kuala Lumpur Voice of Malaysia in English 0800 GMT 4 Oct 94*

[FBIS Transcribed Text] Malaysia has reiterated that the proposed East Asia Economic Caucus, EAEC, will not be a threat to the United States interests in Asia. Foreign Minister Datuk Abdullah Ahmad Badawi said in New York that EAEC could help to strengthen the Asia-Pacific Economic Cooperation, APEC, and not weaken it. With U.S.\$9.4 billion of investment in the ASEAN region, the United States had both feet in the region and any feeling of being excluded from the region's growth was unfounded.

Datuk Abdullah was speaking on political evolution and economic dynamism in Southeast Asia at a luncheon organized by the Asia Society. He hoped the ongoing dialogue on the matter would help to eliminate U.S. fears and further build up the substantive relationship which the U.S. enjoyed with Malaysia.

Earlier, Datuk Abdullah attended the annual coordination meeting of the foreign ministers of the Organization of Islamic Conference, OIC. In his speech, he said the OIC had worked strenuously for the OIC contact group to overcome the domination of the Bosnia-Herzegovina issue by certain European countries whose final objectives were far from clear.

Police Officers To Serve UNPROFOR in Croatia*BK0510111094 Kuala Lumpur BERITA HARIAN in Malay 2 Oct 94 p 2*

[FBIS Translated Excerpt] Kuala Lumpur—As many as 30 officers of the Royal Malaysian Police [PDRM] left for Croatia last night to join the United Nations Protection Force [UNPROFOR].

Second Assistant Senior Commissioner Abdul Hamid Mustapha, PDRM deputy director for administration, said the police officers should preserve the PDRM's image in addition to maintaining public security and order there. He was reading a message from Police Chief Tan Sri Rahim Noor.

"They should duly perform the duty entrusted by the UNPROFOR in the ever turbulent country," he said at a farewell function for the PDRM officers at the Police Training Center here last night. [passage omitted]

*** Bank Governor Announces New Banking Strategies***94SE0231D Kuala Lumpur UTUSAN MALAYSIA in Malay 23 Aug 94 p 11*

[FBIS Translated Text] Kuala Lumpur, 22 Aug—The Central Bank will introduce two-tiered legislation to

enable strong financial institutions to operate more freely to expand their capital. This system will also enable strong financial institutions to expand their capital to face market risks, particularly from foreign currency exchange and interest rates.

Central Bank Governor Ahmad Mohamed Don said that the Central Bank will also study a framework for overseeing and controlling capital liquidity requirements for financial institutions. The capital sufficiency requirement will be stressed as the basic requirement before a financial institution can exploit other opportunities and take new risks. Ahmad said this today at the Ninth Seminar for Financial Institutions.

He also said that because of the emergence of capital markets and other intermediaries for long-term funds, however, the banking industry in Malaysia is entering an era oriented toward marketing rather than to banking alone. He said the system, which will be used until the 21st century, will distinguish between capital, credit, and the insurance market. As banks enter the new era, this will improve the capabilities of banks to bear risks.

Nevertheless, he said, banks are reminded that their basic service is making loans to small- and medium-sized industries that need strengthening.

Financing through venture capital, which is an option, needs to be strengthened through the formation of an industrial and services sector that is compatible with future growth. Ahmad said that the status of finance companies formed in this country is still lower than in the developed countries.

"Because of the growing population and the increases in assets and per capita income, asset management is a sector with potential for development," he said. For that purpose, he said, the Central Bank will continue to study structures and frameworks for controlling the country's financial system.

As for management's practice of taking workers from other financial institutions, he said that in order to reduce this practice, companies need to provide effective training and use automatic systems to overcome the problem of worker shortages.

"Financial institutions also need to increase their productivity and efficiency in order to use the latest technology," he said.

With regard to the insurance industry, Ahmad said that its premium income will increase 26-fold [as published], from 5 billion ringgit to 37 billion ringgit, by the year 2020. He said inflation is expected to be low, at the 2.5 percent level, this year and in 1995. The unemployment rate will rise to 8.5 percent in 1994 (8.2 percent in 1993) and will drop to 8.3 percent in 1995.

*** Paperless Financial Transactions Planned***94SE0231C Kuala Lumpur UTUSAN MALAYSIA in Malay 25 Aug 94 p 14*

[FBIS Translated Text] Kuala Lumpur, 24 Aug—Finance companies in this country will begin paperless

payment and settlement transactions next year. The Central Bank said in a statement following the 23d National Seminar for Finance Companies that the electronic transaction process will be introduced over four years and will emphasize a modern system for payments with cash, checks, and cards (credit and prepayment) and for large-scale transactions.

This national plan involves building a secure and efficient payment system, as formulated by the National Payment System Council.

The seminar also emphasized the need for qualified boards of directors, consistent with Central Bank regulations. The seminar also realized the need for independent directors to protect the interests of small shareholders and members of the public. Finance companies were also encouraged to increase the use of electronic data processing and to upgrade the EDP auditing function.

"At the same time, the involvement of management in the training of employees and auditors probably needs to be emphasized," the Central Bank also said. As institutions providing service to customers, financial institutions need to multiply their efforts to serve customers and to add to their financial products.

"Finance companies also need to examine seriously every complaint from the public," the bank said.

In addition, the Central Bank proposed the creation of a Bank Mediation Bureau to resolve complaints from the public, and an effort is in the final stage to carry out the Job Ethics Code proposed by the banking industry. As for financial performance, finance companies recorded pretax profits of 615 million ringgit in 1993, 31.2 percent higher than in the previous year. Assets grew by 8.6 percent in the first six months of this year, compared with 4.7 percent during the same period last year.

In the first six months of this year, deposits grew by 3,233.8 million ringgit, or 6.3 percent, compared with 2,530 million ringgit, or 5.7 percent, in 1993. As of the end of June, growth in savings deposits increased by 73.3 percent, while growth in deposits declined to 11.6 percent. Loans increased by 2,197.9 million ringgit, or 4.9 percent, which was less than in the previous year.

As for the need to make loans to the principal sector, all finance companies fulfilled the requirement to make loans to Bumiputra [indigenous population]. Loans totaled 15,025.8 million ringgit, or 43.4 percent, compared with the minimum of 20 percent.

*** Government Announces Special Help for Poorest**
94SE0231E Kuala Lumpur UTUSAN MALAYSIA in
Malay 24 Aug 94 p 2

[FBIS Translated Text] Kuala Lumpur, 23 Aug—A total of 50,079 of the poorest families from 40 districts throughout the country will be given special attention in

the implementation of a new strategy under the Project for Development of the Poorest People (PPRT).

Minister of Rural Development Datuk Annuar Musa said the new strategy will be conducted in an integrated way with a number of agencies and will give emphasis not only to material aid, but also to skills, education, and the formation of new attitudes. He said the poor families will also be given economic opportunities that can change their lives over the long term.

He added that the new strategy was introduced after he found weaknesses, especially a lack of coordination between the central government and the states in the management of PPRT implementation, with the result that the program was not effectively or consistently helping the target group.

"In the past, most PPRT programs conducted by agencies have been ad hoc, isolated, and sometimes duplicative among agencies; and this is clearly ineffective," he said. He said this to reporters today after chairing a coordination meeting between the Ministry of Rural Development and state governments. This first meeting, which was attended by all state government executive council members involved in rural development, was held to coordinate all rural development projects between the central government and state governments.

Annuar said that he will also expand the membership of the PPRT coordination committee to other government agencies, such as those in the agriculture, livestock, and fishing sectors. He said another strategy to be used will be the placement of the poorest families in special areas if they do not have their own land, where they will be helped with houses and infrastructure.

He added that economic activities suitable for them will be created in those special areas and that they will be continuously supervised and managed until they rise above the poverty level.

"At the same time, they will also be given vocational training, education, and new attitudes, which we hope will change their lives," he said. He explained that he will ask the state governments involved in the project to help by providing suitable sites for the groups and by conducting the new PPRT projects.

Annuar said the state development departments and district departments will be responsible for evaluating each project to see that it operates continuously and effectively. He added that the private sector will also be directly involved in this effort to eradicate poverty by adopting selected villages.

He said the rural development effort will also take on a new dimension when the ministry announces at the end of this year a new philosophy that is consistent with the government's current policies. In addition, he explained, a policy of changing farming requirements for land to other suitable and more profitable economic activities will be implemented.

"The cabinet has approved a recommendation for changing the land requirements, and we will ask the state governments to change the land requirements so that land may be used in the best way," he explained.

Annur said the representatives of state governments also agreed to create at the state level a special committee for rural development to help coordinate efforts to eradicate poverty.

Cambodia

Leaders Call for National Unity Among Parties

BK0510070994 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 4 Oct 94

["Political commentary": "The Important Thing Is for Us To Unite"]

[FBIS Translated Text] While distributing aid to flood victims in various provinces, Prince Krompreah Norodom Ranariddh, first prime minister, and Samdech Hun Sen, second prime minister, have appealed to all officials to work without discriminating against parties, to stop being apathetic, and to unite and work for the sole interests of the nation.

Starting from this appeal, all officials ought to rise together, look clearly ahead, and pledge to struggle for unity. First, we should struggle for unity, and then unite to continue the struggle. Everyone knows that the struggle for unity will have to overcome many obstacles. First, everyone has to be clear in their thinking, stop talking about the past, stop discriminating against parties or groups, stop being apathetic, and stop quarreling. All sides should stick to the decisions, political platforms, or conditions that all sides have agreed upon and use these as means of guidance so as to move forward together with courage to make constructive criticism and be willing to happily accept this criticism for self-improvement. To struggle for unity is to voluntarily leave when we know that the job is beyond our competence and to let our colleagues carry on the job without rancor, revenge, or malice. To struggle for unity means that we have to be quite clear that we are not exclusive men of any political party or aligned with any persons. We should however be definite that we are Cambodians and work for the interests of the Cambodian nation and defend the country's constitution under the motto: nation, religion, and king.

Only when we have won the struggle for unity can we move forward in unity to struggle on with hope. Unity in the struggle is unity in the fight to defend the motherland to prevent it from being divided and to prevent foreigners from violating and committing aggression against it. Furthermore, all potentials should be used to promote the development of the national economy and to eliminate corruption, embezzlement, robbery, and all kinds of subversive activities. To unite in the struggle is to unite and fight so that Cambodia regains national

concord with no white, blue, red, or black; in other words, there is only one Cambodian.

However, in the struggle for unity many years are needed, and it is necessary that high-ranking officials provide concrete examples for subordinates to follow. If we unite as one, as during the Sangkum Reas Niyom era, no one will dare to interfere in our internal affairs. Therefore, we have to push for the consolidation of the nation, national unity, and unity among all leaders and all parties.

PGNUNS Cabinet Outlines Current Issues

BK0410050094 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 3 Oct 94

["Communique" of the Secretariat of the Provisional Government of National Union and National Salvation cabinet issued on 3 October; place not given—read by announcer]

[FBIS Translated Text] I. The cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] held its weekly working session on Monday, 3 October, under the chairmanship of His Excellency Khieu Samphan, prime minister and minister of the National Army, and with the participation of all members.

II. The cabinet heard reports presented by each ministry and thoroughly discussed them in all aspects with a high sense of responsibility. The cabinet took a position on a number of issues which, for the information of our Cambodian nation and people and the international community, are presented as follows:

1. On the question of the 4 million ethnic Vietnamese in Cambodia:

The 4 million ethnic Vietnamese in Cambodia constitute an immense danger to the existence of the Cambodian nation, people, and race. The Vietnamese are snapping up and swallowing Cambodia. They are the weapons of communist Vietnam's demographic war waged as part of Hanoi's strategy to exterminate the Cambodian race and turn Cambodia into another Kampuchea Kraom [ancient Cambodian territory annexed by Vietnam]. They are arrogantly controlling, grabbing, and plundering land, paddies, orchards, rivers, lakes, forests, fish, and jobs from the Cambodian nation and people. Millions of Cambodians in the countryside and in Phnom Penh are living a miserable life. They have no land, paddies, orchards, forests, fish, or jobs on which to work and with which to feed themselves.

In order to protect and perpetuate the Cambodian nation, people, and race, all Cambodians must solve this issue of 4 million ethnic Vietnamese urgently and properly. The PGNUNS and the Cambodian nation and people are asking for nothing more than what they deserve within the framework of international law and

are demanding nothing more than what has been and is being done in other countries. Historically, and recently, Australia, Britain, Germany, and other countries have repatriated illegal Vietnamese immigrants. So, Cambodia as a sovereign country also has the right to send all illegal Vietnamese immigrants in Cambodia back to Vietnam. In so doing, Cambodia would not violate any international norms and practices. As master of the country, the Cambodian nation and people have the right to defend their own sovereignty and territorial integrity and, like other countries, they have the right to defend the interests of their own country.

2. On the United States setting up a command to ignite a second war of aggression against Cambodia:

Through both open declarations and concrete activities in the recent past, the United States has decided to set up a command to collude with communist Vietnam in continuing to ignite the latter's war of aggression against Cambodia. It has decided to give the traitorous two-headed government military aid, and it has sent military personnel to directly join in commanding the war of aggression against Cambodia. This act is tantamount to openly continuing communist Vietnam's war of aggression and genocide against Cambodia. It constitutes the United States' second aggression, which is a crime, a heinous crime that the U.S. is perpetrating against the Cambodian nation, people, and race. It constitutes a sabotage of peace in Cambodia and a serious threat to security and stability in the entire region.

The PGNUNS and the entire Cambodian nation and people in the countryside, in Phnom Penh, as well as abroad resolutely oppose the United States' warmongering policy of directly and arrogantly colluding with communist Vietnam to continue igniting the war of extermination against the Cambodian race. As the aggressor, the United States must bear full and total responsibility for all consequences that may arise from its warmongering policy. It must bear responsibility before the Cambodian nation, people, and history, before the American people, and also before all other countries and people involved in the Cambodian problem.

The PGNUNS and the entire Cambodian nation and people once again appeal to all peace- and justice-loving countries and people in the world, including Americans, to monitor and condemn the United States' activities in escalating communist Vietnam's war of aggression against Cambodia. You must do everything possible to prevent the U.S. Administration from sending military armaments and personnel to take part in the war of aggression and massacre against the unfortunate Cambodian people. What you do will benefit peace in Cambodia as well as peace and stability in the whole region and the whole world.

3. On communist Vietnam's civilian administrations in all sectors which constitute the tools and weapons to constantly murder people in villages and communes:

According to reports presented by people in various areas and from what has actually happened during the past 15 years, it can be said that the civilian administrations installed in all sectors by communist Vietnam since 1979 constitute an important tool that has been used to continue the flames of communist Vietnam's war of aggression to date. In the countryside, 100 percent of the current administrations belong to communist Vietnam, which has been committing aggression and genocide against Cambodia over the past 15 years. These civilian administrations are permanently installed in the villages and communes to conduct numerous operations, both overt and secret. They have been used to conscript soldiers and militiamen who have been sent to fight and die like flies. They have dispatched people to die like dead leaves in a long series of infamous K-5 labor corvees designed by communist Vietnam and the two-headed government. They have summoned invading troops to torch houses and homes at will and without letup. They have robbed the people and imposed myriad taxes and duties on them throughout the year, causing permanent misery and suffering.

The PGNUNS holds that it is imperative to wipe out these civilian administrations in all sectors of communist Vietnam and completely remove them from all villages and communes as a measure to save the people.

The PGNUNS voices support for the activities of our people who have been dissolving and wiping out communist Vietnam's administrations, especially the civilian administrations in all sectors and fields in the villages and communes. Only when our peasants join the National Army of Democratic Kampuchea [NADK] in repeatedly wiping out communist Vietnam's civilian administrations in all sectors can we entirely weed out all of their networks, both overt and secret. When they no longer have organized forces, they will not be able to conduct activities against the people. The people will then jointly reestablish national administrations in the villages and communes. Only in this way will our peasants be able to live peacefully, free from being conscripted as soldiers and militiamen, and will they enjoy opportunities to perform work and make a happy living.

III. In order to further stimulate our national struggle, the cabinet gave the following advice to provincial, district, commune, and village committees:

1. It is imperative to attentively grasp and implement the position taken by the government regarding all issues above.

2. It is imperative to continue paying attention to sharing weal and woe and life-and-death interests with the people, respecting and loving each other like one's own parents, and providing education and training in all sectors and fields. In so doing, the people will have greater faith and enthusiasm in joining the NADK to wage the guerrilla and people's war on the basis of self-determination in order to dismantle and wipe out communist Vietnam's administrations in all sectors,

both military and civilian and both overt and secret, and in a more widespread, in-depth manner, in order to drive them until the last man has left the villages and communes.

3. It is imperative to continue paying attention to joining the people in implementing the guerrilla and people's war to defend one's own villages and communes at all costs; prevent the ethnic Vietnamese from arrogantly grabbing and plundering our land, paddies, orchards, rivers, and lakes; prevent the traitorous two-headed government from conscripting soldiers and militiamen with which to fight; and prevent it from rustling our livestock and imposing taxes on the people.

All these measures are devised to defend the existence of our nation and people; defend the people's land, paddies, orchards, and livestock; and root out communist Vietnam's administrations in all sectors, both military and civilian, so that none will be left standing anywhere. We do this so that together we can put an early end to communist Vietnam's war of aggression and genocide and as soon as possible achieve national reconciliation and peace in response to the profound aspirations of our entire nation and people.

3 October 1994

[Signed] The Secretariat of the PGNUNS Cabinet

Indonesia

Murdiono Briefs Media on Suharto-Klaus Talks

BK0410142494 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 4 Oct 94

[FBIS Translated Excerpt] The economic and trade cooperation between the Czech Republic and Indonesia is expected to further improve in the future following the visit by Prime Minister Vaclav Klaus to the country. The good prospects for development are reflected in the private talks between President Suharto and Klaus at the Merdeka Presidential Palace in Jakarta today. The talks lasted for about two hours.

Reporters were briefed on the outcome of the talks by Minister/State Secretary Murdiono. He said that during the talks, the two leaders expressed their wish to further improve economic ties between the two countries. They also stated their wish for the private sectors of the two countries to lend support and participate in the effort to boost the economic cooperation. According to Minister Murdiono, the trade delegation that accompanied Prime Minister Vaclav Klaus demonstrated the Czech Republic's interest in establishing economic cooperation with Indonesia.

[Begin Murdiono recording] We notice that there is a large number of businessmen in the Czech prime minister's entourage, about 50. As we already knew, the main goal of the Czech prime minister's visit is to strengthen economic and trade cooperation, and to offer the Czech Republic's expertise in the fields of industry, livestock

breeding, constructions of electricity generating stations, cement plants, and others. [end recording]

Minister Murdiono said there would be some obstacles thwarting the attempts by the two countries to expand their bilateral cooperation, but this can be overcome through proper planning and imagination by the businessmen of the two countries. [passage omitted]

At the end of the private talks between the two leaders, Vaclav Klaus extended an invitation to President Suharto to visit the Czech Republic.

Double Taxation Accord Signed

BK0410145194 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 4 Oct 94

[FBIS Translated Text] Indonesia and the Czech Republic have signed an accord abolishing double taxation. The accord was signed by Coordinating Minister for Politics and Security Susilo Sudarman and Czech Prime Minister Vaclav Klaus. The ceremony was held at the State Guest House in Jakarta today. The two ministers expressed their common opinion that with the signing of the accord, the bilateral commitment to improving economic and trade cooperation had been enhanced.

Following the signing ceremony, Klaus told reporters that under his leadership, the Czech Government has been able to restructure its economy. He said that during his visit to Jakarta, he could see vast opportunities for businessmen from the two countries to improve their trade ties. Adding that the fields of trade and business ties that could be improved are, among other things, transportation, hydroelectricity dam for irrigation purposes, diesel engines, and cement plants equipment supply.

* Vice President Stresses National Unity

94SE0236B Jakarta SUARA PEMBARUAN in Indonesian 18 Aug 94 pp 1, 19

[FBIS Translated Text] Jakarta, 18 August—Vice President Try Sutrisno has stated that all Indonesians are always called upon to do their best to promote national union and unity. He said that we also must safeguard our own identity and genuine personality as a cultured nation, noble in character, holding high the spirit of community and equality to strengthen the continued existence of the Unitary State of the Republic of Indonesia, based on the Pancasila [Five Principles of the Nation] and the Constitution of 1945.

The vice president made this statement in his speech on the occasion of the 33d Assembly of the Boy Scouts of Indonesia of 1994, held on 18 August at the Mini Indonesia Field (TMII) in East Jakarta.

The vice president said: "It is the duty of all of us, including all scouts, to continue the struggle begun by our predecessors to give our independence substance by

performing acts of community service in various areas of development. This is the clear expression of our experience and feelings toward the Pancasila."

Vice President Try Sutrisno added that we must always remember that the history of our country has been marked by bitter suffering and self-sacrifice by the fighters who went before us and who sought to establish justice, progress, order, and tranquility for all Indonesian people, throughout all of our beloved fatherland, which is independent, united, sovereign, and has been victorious throughout our history.

The present scouting movement was not established until Indonesia became independent. However, there was a scouting movement and several scouting organizations which had sought to develop Indonesian boys and girls long before independence was proclaimed.

According to the vice president, scouting movements at that time joined in planting the seeds of the spirit of nationalism and love of our country for our younger generation. He said: "Because of that, it is not surprising that more than a few of those who fought for our independence, both in leading the way, fighting, defending, and supporting independence, came from the various scouting organizations."

He said that each succeeding generation of our nation, and particularly the scouts, should be able to receive, pass on to their descendants, and develop the soul and spirit of fighting and never surrendering, of serving without asking why, which was displayed by those who fought before us.

He added: "It is not enough for us merely to understand and to think about the history of our nation's struggle. More than that, we must be able to live our history and appreciate in real terms the nobility and passion of its spirit, as well as to make its meaning a part of ourselves, as contained in the history of this struggle."

Development aimed at increasing the welfare and standard of living of our people in all fields essentially is the task of our struggle and our great, national effort which must directly, continuously, and without interruption refuse to recognize the word "stop."

As an important factor regarding the next generation of our nation which holds a decisive key to the future, Indonesian scouts should make use of every opportunity, including those not available to those who went before us.

Vice President Try Sutrisno presented the following invitation to his audience: "Let those of our younger generation, through useful activities as a foundation, face up to the struggle and our development program which is increasingly filled with challenges and tests."

He added that amid a climate of increasing world competition and growing shortages of natural resources let us build the structure of increasing international dependence on each other. The speed with which science

and technology are developing requires the entire younger generation of Indonesians to try as hard as they can, with full determination and diligence and without losing hope, to develop and prepare themselves so that they will become Indonesian people of quality.

This is because, according to the vice president, only in such a way will we the Indonesian people be known to have the capacity and integral, national resiliency to achieve our objectives and purposes. He said: "In this way we will be able, in a determined and stubborn way and full of self confidence, to face up to all forms of dynamic change in the life of the world, which demands that we have the highest levels of independence, resiliency, and national competitive power."

Our ability to dig, to work, to care for, and to make the best use of the various kinds of potential which we have can only be achieved through study and through trying hard and in a determined way. He said: "For that reason the scouts and the Indonesian younger generation must be challenged to study and continue studying in a variety of appropriate ways."

The vice president also emphasized that the scouts and the entire younger generation of Indonesians need to continue to try to gain a deep understanding of our national culture and to respect and become attuned to the values of the Pancasila, which holds high the spirit of community and always seeks the creation of continuity, harmony, and concord with the feature of "variety in unity" and "unity in variety."

He said that only in this way will we be able to develop our national identity and integrity as a free, sovereign, progressive, and self-reliant nation. By reflecting and living our national culture we will reflect noble attitudes and behavior in a fully mature and wise manner.

Laos

Provincial Agreement Signed With Thailand

BK0510071394 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 5 Oct 94

[FBIS Translated Text] An agreement has been reached between Bokeo Province and Thailand's Chiang Rai Province to strengthen relations and cooperation in the economic, cultural, social, and tourism service fields and to step up enforcing more strictly measures to maintain public security and order in localities along the border of the two provinces. The memorandum on bilateral cooperation was jointly signed by Soukan Mahalat, governor of Bokeo Province, for the Lao side and Khamron Bunsoet, governor of Chiang Rai Province, for the Thai side. The cooperation agreement was reached following a working visit to Laos' Bokeo Province by a Khamron Bunkoet-led delegation from Thailand's Chiang Rai Province on 30 September.

Stipulated in the memorandum signed between the local leaders of the two provinces are cooperation and

exchanges in trading, tourism, banking, communications, the arts, culture, sport, and other areas, which are aimed at increasingly promoting the socioeconomic development in the region. In the memorandum, the two sides also clearly specified means for improve the existing cross-border trading regulations between the two provinces to be in conformity with the practical conditions of the localities. In this regard, the Chiang Rai provincial side from Thailand has agreed to reduce tax rates for the import of vegetables, forestry and farm products, and cattle. It will also improve immigration regulations and readjust the periods and fees for immigration. The two sides have agreed to allow local people of the two provinces to use temporary border passes for travel to and from Bokeo and Chiang Rai municipal areas. They have also agreed to extend the daily opening time of the border checkpoints from 0700 to 1700.

The two sides also discussed and agreed to propose to the governments of their respective countries the possibility of building Houai Sai-Chiang Khong friendship bridge, the opening of the Tonpheuang-Chiang Saen checkpoint as an international border checkpoint, and the setting up of a consular office in the said area. The Chiang Rai provincial side has also agreed to coordinate with the Provincial Electric Authority of Thailand to transmit electricity from Chiang Khong to Bokeo Province in Laos. Regarding cooperation on maintaining public security along the border, the two sides have agreed to reactivate the border committees, with Soukan Mahalat and Khamron Bunsoet respectively as chairmen of the committees for the Lao and Thai sides. In this regard, the two sides will set up ad hoc teams to cooperate in solving, in a timely manner, various problems that might arise along the border, such as checking and suppressing crime, narcotics trafficking, smuggling of goods, illegal entries into countries, and all acts of ill-intentioned elements who intend creating disturbances along the border.

Assembly Continues Debate on Bankruptcy Law

BK0410160394 Vientiane Vitthayou Hengset Radio Network in Lao 1200 GMT 4 Oct 94

[FBIS Translated Text] Today is the eighth day of the fifth plenary session of the Third National Assembly, held under the chairmanship of Saman Vi-gnaket, chairman of the National Assembly.

The session continued to study and debate the draft law on the bankruptcy of business enterprises, with the aim of giving opportunities to all economic sectors to carry out activities in an independent, fluent, and lawful manner in the Lao People's Democratic Republic [LPDR]. Businesses in each sector will then become fundamental production forces for our country's socioeconomic development and the tools for supporting and rescuing certain businesses in trouble and going bankrupt. This law will help prevent unfair competition and unlawful treatment in business enterprises, especially the rights and interests of the labor sector and state. The

draft law spells out certain measures which will compel debtors to fulfill obligations toward their clients.

The session will study, analyze, and debate the new economic policy of the party and state by relying on certain specific characteristics and conditions in carrying out business operations by all economic sectors and by learning from lessons meticulously acquired from other countries.

Other important foundations for the law on the bankruptcy of business enterprises are the Business Law, the Law on the Promotion and Management of Foreign Investments in the LPDR, the Law on Accounting, the Law on Contractual Obligations, the Law on Ownership, and various other laws which have already been endorsed and put into practice. The new law points out that the bankruptcy of business enterprises is closely linked to the interests of many sectors. Therefore, the study and debate of this law has to be carried out in a critical manner so that its objectives will be fully fulfilled.

In addition, the session will adopt certain measures to deal with business enterprises which have encountered difficulties and are on the verge of bankruptcy. This is done to protect the rights and interests of the state, creditors, working people, and other business enterprises; to expand credit and loans; to promote investment; and to contribute continuously to promoting socioeconomic development.

Philippines

Six Abu Sayyaf Rebels Arrested; Arms Seized

BK0410023794 Manila PHILIPPINE DAILY INQUIRER in English 30 Sep 94 pp 1, 7

[FBIS Transcribed Text] Police yesterday pounced on two suspected hideouts of the extremist group Abu Sayyaf in Quezon City [QC], arresting six persons and seizing firearms and ammunition believed taken from government arsenal.

"We have broken the backbone of the logistics and support group of the Abu Sayyaf here," said Director General Recaredo Sarmiento II, chief of the Philippine National Police [PNP].

The Abu Sayyaf, which is rooted in Islamic fundamentalism has been blamed for a spate of terroristic bombings and kidnappings in Mindanao, including the massacre of 15 persons in Basilan in June.

Sarmiento said the six suspects were arrested in simultaneous raids by members of the PNP Intelligence Command on two houses in a slum community along Cotabato Street in Barangay [Village] Culiati, Tandang Sora.

They were identified as Adel Atao, Toh Laja Balangking, Muhmin Mudjanil Tamma, Harun Balangking Sahak, Hadji Jubail Turabin and his pregnant wife, Samira Turabin.

Sarmiento said the suspects belonged to the Abu Sayyaf's service and support network which procure firearms in Metro Manila for shipment to their comrades in Mindanao.

Seized by the police were seven M-16 rifles, a .45 cal. pistol, a .38 cal. revolver, 47 live shells for 57-mm anti-tank recoilless rifle, 10,200 rounds for M-16s, 138 rounds for .50 cal. machine gun, seven rifle grenades, 26 ammunition pouches, 32 suspenders and military canteens.

The weapons and ammunition were packed in large cigarette cartons for shipment to Basilan and Sulu. The bullets were packed in small cartons with markings of the Department of National Defense arsenal.

Interior Secretary Rafael Alunan III said the guns and ammunition could have been sold by unscrupulous persons in government to the Abu Sayyaf. He ordered the police to identify these persons and prosecute them.

"Who are these people selling materials to the Abu Sayyaf? They should be hanged for treason," Alunan said.

The raids were carried out by 20 agents around noon as Muslims occupying some of about a hundred houses in the slum area were saying their prayers.

A search warrant had been issued to the lawmen by Judge Maximiano Asuncion of the QC Regional Trial Court.

"There was no resistance. We were able to surprise them," said an agent, who asked not to be identified.

The agent said the recoilless rifle was apparently on board a Ford Fiera van which left the area before the raids.

"Our colleagues are conducting a follow-up operation," he said.

Senior Supt. Rodolfo Garcia, police intelligence chief, said they will be coordinating with the Criminal Investigation Service Command to find out where the guns and ammunition really came from.

Earlier, police reports in Mindanao said a captured supply officer of the Abu Sayyaf had revealed that the terrorist group was being supplied weapons by some military personnel assigned with the Armed Forces' Logistics Command.

An ensuing investigation failed to establish the source of the weapons.

Garcia allayed fears that the Abu Sayyaf was planning to launch terrorist strikes in Metro Manila. "We do not have any information that they are here (in Metro Manila) to sow terror," he said.

Budget Posts P6.7 Billion Surplus in 8 Months

BK0410023594 Manila BUSINESS WORLD in English 30 Sep 94 p 18

[FBIS Transcribed Text] The National Government (NG) posted P[Philippine pesos] 6.695-billion budget surplus in the first eight months of the year, according to the Bureau of Treasury (BTr) report. This was a far cry from the P13,623 billion deficit recorded in the corresponding period in 1993.

Total revenue collections stood at P214.102 billion and expenditures at P207.407 billion. Compared with year ago levels, revenue collections and spendings increased 26.76 percent and 12.86 percent, respectively.

In a report, the Bureau of Treasury noted the Bureau of Internal Revenue (BIR) contributed more than half of total revenue collections. The BIR turned in P127.01 billion to the NG in the eight-month stretch.

Likewise, the Bureau of Customs and BTr contributed P50.55 billion and P14.78 billion worth of revenues, respectively. Other government offices (i. e., Bureau of Immigration and Deportation, Department of Environment and Natural Resources, Land Transportation Office, Asset Privatization Trust, and Philippine Commission on Good Government) collected total funds amounting to P21.76 billion.

Based on expenditure accounts, government operations accounted for 57.2 percent of total NG spendings, amounting to P118.644 billion. Interest payments for the country's debt accounted for the second biggest spending during the period in review, the NG spent a total of P57.12 billion on interest payments alone. It also allocated about P23.48 billion to local government units.

The BTr further reported that net payments for domestic financing amounted to P34.69 billion. On the other hand, net payments for foreign borrowings reached P7.13 billion.

For August alone, the NG's budget posted a deficit of P732 million. Revenues were placed at P26.385 billion and expenditures at P27.117 billion. This was P1.275 billion lesser than the P2.007 billion deficit registered in August 1993.

Thailand

Commerce Minister Departs for APEC Meeting

BK0510085294 Bangkok BANGKOK POST in English 5 Oct 94 p 19

[FBIS Transcribed Text] Thailand may not be ready to accept the establishment of a free-trade area within the Asia Pacific Economic Cooperation (APEC) group since the country still faces many disadvantages when compared with other members, says Commerce Minister Uthai Phimchaichon.

Mr Uthai, who left yesterday for the APEC trade ministers' meeting in Jakarta, did not totally reject free trade in APEC as proposed by its Eminent Persons Group. He said free trade could be established easily if APEC members could narrow the economic gap between rich and poor members.

He said members should abide by what was agreed at the APEC leaders' meeting last year in Seattle.

The leaders agreed to support investment in small and medium-sized industries in developing member countries to help them enjoy production at costs competitive with developed ones.

"Once products can be produced at competitive cost between developing and developed countries, turning of APEC into a free-trade area will be easy," said Mr Uthai. However, he expressed concern that opening of markets within APEC could threaten some industries.

Mr Uthai said Thailand long a predominantly agricultural economy, has lost many workers from agriculture to industry, but if industries suffer from market opening, they may be forced to close and workers would have to return to agriculture again.

He said the APEC trade ministers would discuss four issues including the impact on members of the result of multilateral negotiations under the General Agreement on Tariffs and Trade (GATT). They will also urge GATT members to ratify the agreement, he said.

They will also discuss the free-trade area proposal, and cooperation on trade and investment facilitation.

After participating in the trade ministers' meeting, Mr Uthai will hold talk with his counterparts from Mexico and New Zealand.

Thailand wants Mexico to consider cancelling the requirement for certificates of origin on Thai textiles and shoes. Mexico wants the certificates because it fears cheap imports from China.

Mr Uthai will also ask that Mexico lift its embargo on Thai rice, saying that Mexican concerns about plant disease were groundless.

With his New Zealand counterpart, Mr Uthai plans to discuss tariff reductions on imports of kiwi fruit from New Zealand.

Phnom Penh Said Warned of Brewing Coup Plot

*BK0510085194 Bangkok THE NATION in English
5 Oct 94 p A4*

[FBIS Transcribed Text] A close aide of Gen Charan Kunlawanit, secretary-general of the National Security Council, has offered to go to Phnom Penh to give his side of the story about the failed coup attempt in Cambodia.

Col Wiwat Witsanuwinon told THE NATION yesterday that Thai security authorities had learned about

the coup bid several months in advance. "We tipped off Cambodian authorities about the coup plot," he said.

Col Wiwat is one of 14 Thais that Cambodian authorities stated their wish to interview in connection with the abortive power seizure in July. The colonel, who is very close to Gen Charan, denied he was involved in the coup plot, but he admitted having arrived in Phnom Penh a few days before the event occurred.

The day after the putsch was crushed, Col Wiwat said, he returned to Thailand in a Mercedes-Benz.

Col Wiwat said he learned of the coup attempt as he was about to board a flight back to Bangkok. Thirteen other Thais whose names were on the passenger roster also failed to board the flight but it is still not clear how they made their way back to Thailand.

Cambodian officials have informed the Thai government they want to interview Wiwat and the 13 others in connection with the attempted take-over. The Cambodians accuse Prince Norodom Chakkrapong, half-brother of Prime Minister Norodom Ranariddh, of being the mastermind.

Sources said another of Gen Charan's aides was also among suspects that the Phnom Penh believes were involved in the coup. They said he was the same officer who picked up Prince Chakkrapong at Don Muang Airport when he arrived from Malaysia where he had been in exile after fleeing Cambodia. The sources said the officer used Gen Charan's Jaguar limousine to collect the Cambodian prince.

"I was not involved in the coup attempt in any way," said Col Wiwat who claimed that he was in Phnom Penh as a tourist with a group of friends.

Col Wiwat said Thai security authorities had got wind of the coup attempt in Cambodia about five to six months before it happened.

"As we monitored the situation in Cambodia we discovered signs of unrest," he said.

The colonel said Thai authorities passed on their information to the Cambodians. "But it seemed they paid no attention to it," he said.

Col Wiwat said he had told Cambodian authorities that he wanted to go to Phnom Penh to give his account of the events leading to the coup attempt. "I also want to tell them why I was in Phnom Penh at the time," he said. But, so far Phnom Penh had not yet responded to his overture, he said.

Surin Says Libya Needs Skilled Thai Workers

*BK0410151194 Bangkok Voice of Free Asia in Thai
1030 GMT 4 Oct 94*

[FBIS Translated Text] Deputy Foreign Minister Surin Phitsuwan said during an interview about exports of Thai labor that Libya had indicated it needs skilled

workers from Thailand. At one time there were about 50,000 Thais working in Libya, but the number has decreased to about 10,000. Many Thai workers returned home as a result of a controversy caused by the Libyan Government mistakenly believing that the Thai Government had accused it of storing chemical weapons in an underground tunnel, and that Thai workers were being used in construction of the tunnel in violation of the UN resolution banning storage of chemical weapons.

Surin said that after diplomatic clarifications by the Thai Government, Libya indicated that it was ready to take back the workers who would like to return to their jobs. Surin said that Libya wants a large number of skilled workers, as Libya knows the expertise of skilled Thai workers. Surin said that the Labor and Social Welfare Ministry has been screening job placement companies to ensure that they have the proper licenses and abide by the regulations. The process is meant to prevent trouble for the Thai workers.

Cabinet Approves Building Bridge Link to Burma

*BK0510052394 Bangkok BANGKOK POST in English
5 Oct 94 p 3*

[FBIS Transcribed Text] The Cabinet yesterday approved the signing of an agreement next week between Thailand and Burma for the construction of a bridge linking the two countries. Transport and Communications Minister Winai Somphong said the bridge over the Moei River would connect Mae Sot District in Tak with Myawaddy. Thailand will cover the entire construction cost estimated at over 79 million baht. Work is due to begin at the end of this month. The bridge is expected to benefit both countries in terms of trade and investment promotion.

Col Winai said his ministry planned to build a four-lane road connecting the bridge with key provinces in the North and Northeast.

Construction of a second bridge linking Thailand and Laos will also begin soon in Mukdahan Province.

Insurance Firms With Foreign-Held Shares Identified

*BK0510084894 Bangkok SIAM POST in Thai 5 Oct 94
p 25*

[FBIS Translated Excerpt] Pracha Charutrakunchai, director general of the Insurance Department, disclosed after a meeting of the Insurance Committee of the Juridical Council and the Economic Policy Committee to discuss the case involving Phaisan Insurance that the meeting participants agreed to reject Phaisan Insurance's request to open new branches in Thailand on the grounds that 99.98 percent of its shares are held by foreigners.

The decision also affects five other insurance companies whose foreign-held shares have been found to exceed the

25 percent limit. The five are: Gardens Insurance, New Zealand Insurance, Commercial Union Insurance, China Insurance, and Bangkok Insurance. The shares held by foreigners in the first three firms amount to about 49 percent, while more than 40 percent and 29 percent of the shares in China Insurance and Bangkok Insurance respectively are held by foreigners.

Shares held by foreigners in Simuang Insurance—28.02 percent—also exceed the allowable limit. Of these shares, 0.5 percent are held by Chinese, 24.99 percent by Japanese, and 2.88 percent by Malaysians.

According to Pracha, the problem can be resolved by the affected firms increasing their capital in order to dilute the percentage of shares held by foreigners or selling off the shares held by foreigners to reduce the percentage. [passage omitted]

Vietnam

Hanoi Reports Shipment of U.S. MIA Remains

*BK0510110494 Hanoi Voice of Vietnam in English
1000 GMT 5 Oct 94*

[FBIS Transcribed Text] The United States on Tuesday sent home cases of remains believed to be of United States airmen killed in the Vietnam War. The cases included remains from three sites where two (?manned) war planes went down and could contain remains of up to 12 individuals.

One set of remains was found as the direct result of increased Vietnamese activity on the issue of United States servicemen missing in action. Two individuals were on the list of 84 actual remained cases given to the Vietnamese last year because Washington thought they should have more information on them. President Bill Clinton has said it was a national priority in the pace of improving relations with Hanoi which depends on results achieved in the search.

Nong Duc Manh Hails Broadcast Achievements

*BK0410144094 Hanoi Voice of Vietnam Network in
Vietnamese 1100 GMT 3 Oct 94*

["Text" of speech by National Assembly Chairman Nong Duc Manh at a conference to begin the broadcasting information programs for people in the mountain and remote regions organized by the Voice of Vietnam in Hanoi on 3 October—recorded]

[FBIS Translated Text] Today, I am very pleased to have the chance to visit and work with the Voice of Vietnam and to attend the conference on broadcasting information programs for people in the mountain regions, border areas, offshore islands, and remote rural areas.

First of all, please allow me, on behalf of the National Assembly Standing Committee, to convey to all cadres, correspondents, personnel, and workers of the Voice of

Vietnam as well as to all delegates attending this conference, my warmest greetings and my best wishes. [applause]

Dear comrades, almost 50 years have passed since the emergence of the Socialist Republic of Vietnam. During this time the Voice of Vietnam has participated in the various brilliant revolutionary stages of the nation and is recognized as one of the important and magnanimous mass media agencies. It has provided listeners with the fastest information in diversified forms on various domains and aspects of daily life at home and abroad. Through its broadcasting programs, the Voice of Vietnam has increasingly met the information requirements of the people at large, and has step by step contributed to improving the people's cultural and spiritual life. The station has quickly and promptly disseminated various party policies and state laws to the public; welcomed and commended good models of economic, social, and national defense activities; and contributed many ideas to building state laws and improving inspection work. I can provide an example in this regard that in recent years our people have paid special attention to National Assembly activities, especially its various sessions held in the spirit of renovating its contents and working activities to contribute to implementing the comprehensive national renovation process. In this regard, the Voice of Vietnam has made great efforts to promptly provide timely information in various forms on National Assembly activities, thereby contributing to creating an enthusiastic, encouraging, and confident atmosphere among the masses. Through this concrete work, you, comrades, have helped strengthen the close ties between voters throughout the country and the National Assembly as well as enhance the fresh and blood relations between the party, state, and people. It can be said that after undergoing almost half a century of struggling, building, and maturing through past wars of resistance for national salvation as well as in the cause of national construction and defense at present, Voice of Vietnam cadres, correspondents, personnel, and workers have made great efforts to overcome numerous difficulties and ordeals and have attained many glorious achievements. On behalf of the National Assembly Standing Committee and on my own behalf, I warmly welcome and highly commend the Voice of Vietnam for its great achievements. [applause]

Dear Comrades, broadcasting is the best way for mass media to quickly serve all strata of people in various regions and zones throughout the country, and no other mass media can compete with it. You, comrades, have successfully developed this strong point to provide information on a daily basis to all people of the great family of the Vietnamese nation. To begin activities to mark the 50th founding anniversary of the Voice of Vietnam by convening this important conference, you, comrades, have testified to the fact that the Voice of Vietnam has paid special attention to people in the highland regions, remote and far away areas, and in the former resistance zones which are still facing numerous difficulties.

Everyone knows that our country's mountain regions are of great strategic importance in the cause of national construction and defense. In the two protracted wars for national salvation, many mountain regions were used as impregnable revolutionary bases of the country. Today, in peaceful labor, our country's mountain regions are places that provide a wide range of valuable natural resources to the country. Formerly, the people in the mountain regions were heroic and persistent in their fight against the enemy aggressors. Today, they are diligent and creative in productive labor.

Since their founding, our party and state have always attached importance to and concern themselves with the policy toward ethnic minority groups and the mountain regions. Over the years, they have charted many essential courses for development and set forth substantive policies to implement the resolutions of the party Central Committee's sixth and seventh plenums, Resolution No. 22 of the Political Bureau, Decision No. 72 of the Council of Ministers now known as the government, and most recently, Resolution No. 5 of the party Central Committee on the need to continue to achieve socioeconomic stabilization and development in the countryside.

In compliance with the party's renovation line, in the past our country has achieved many initial yet very important and significant achievements in the cause of carrying out socioeconomic construction and development in the mountain regions where our compatriots of various ethnic minority groups live. The economic situation and the people's lives have gradually been improved while the face of the mountain countryside has been undergoing daily changes.

However, the results achieved are still limited, unsteady, and not proportionate with the economic potential and specific requirements of the mountain regions and of the compatriots of various ethnic minority groups residing in the regions. The lives of the people in various areas, especially those in high-lying, difficultly accessible, and remote areas, are still faced with untold difficulties and deprivations. We are therefore required to come up with appropriate policies and measures to further step up the pace of all-around development in the areas inhabited by our compatriots of various ethnic minority groups and in the mountain regions in such a way as to suit the characteristics of each area of work, each region, each subregion, and each ethnic minority group. Therefore, I highly applaud the subject of this scientific seminar.

At this seminar, many compatriots have aired many impressive ideas. The fact that Radio Voice of Vietnam has increased its services to the mountain regions and to the compatriots of various ethnic minority groups is designed to contribute to carrying out our party and state's policy of great national unity. The radio has had broadcasts in Khmer, H'mong, E-De, and Gia Rai dialects. According to a plan, in the upcoming period, the radio will add the Ba-Na and Thai dialects to its daily broadcasts. I believe that efforts by Radio Voice of

Vietnam to expand its programs to broadcast in the dialects of various ethnic minority groups are very necessary. This is because at present, nearly half of the total 9 million of compatriots of various ethnic minorities are unable to thoroughly understand the commonly-used lowland language.

In view of the present difficult conditions, we, of course, cannot broadcast in all the 52 dialects of various ethnic minority groups. Instead, we must study to choose those dialects that can be understood by many ethnic minority groups. Only by doing so can the radio attract a large number of listeners. It is encouraging that the number of listeners among the contingent of village and district cadres in the mountain regions, especially in various villages and hamlets, is on the increase. However, more attention must be given if we want to ensure that there will be ever-larger number of compatriots listening to the radio and that the radio become a faithful friend in their daily life.

Broadcasting programs for ethnic minority compatriots must have specific and explicit contents that faithfully and objectively reflect the realities of life. Such broadcasts must be easy to hear and to understand. In addition, attention must be paid to selecting announcers with an articulate voice. We must arrange broadcasting programs and air times satisfactorily and appropriately in such a way as to get the compatriots listen to what we say about them and to obtain their views. Only by so doing can we consolidate the trust and affection among the compatriots toward Radio Voice of Vietnam in particular and toward the party and the state in general.

Besides the main newscasts and the Great Family of Vietnamese Nationalities program and the like, you comrades must pay attention to folk song programs. The compatriots have a strong liking for music, especially those rhythms, lyrics, and songs of their own ethnic groups. I believe that not only will we have to give better care to the operations of Radio Voice of Vietnam, but we will also have to pay greater attention to the operations of various local radio stations to create a broadcasting network under various diverse forms, trying to provide ever-larger amounts of information for the compatriots.

Apart from improving the quality and substance of broadcast programs, the problems we are now facing are: How to enable mountain compatriots to have good reception of radio broadcasts, and how to ensure that each family can have a radio receiver at the earliest time possible?

Our radio transmitting output is not currently guaranteed. Therefore, we must pay attention to public address stems in villages and hamlets while concerning ourselves with tackling the question of radio receivers for the compatriots as said above.

The prime minister has approved a plan to cover the entire country with radio waves by increasing broadcasts to mountain, high-lying, and difficultly accessible border

areas and offshore islands. The responsibility for this does not rest solely with Radio Voice of Vietnam, as it needs the assistance and cooperation of various echelons, sectors, organs, and organizations concerned. It can be said that along with our duty of building roads and dike embankments to ensure the channeling of water to serve the daily life and production of the compatriots, it would not be easy for us to tackle all these tasks at the same time. However, I think that the providing of information, including the providing of radio waves-based information, must be done early and more quickly.

We cannot feel complacent to find that after 50 years of operations—almost half a century—many areas are still not reached by our radio broadcasts. Therefore, we must pay great attention to ensuring satisfactory enactment of this plan.

Dear comrades: I sympathize with the difficulties now facing you, comrades, in various respects, especially in cadre-related work and in working conditions and standards, while you are getting your work done. I would like to remind the government and sectors about this situation. However, our state budget resource is still limited and our people's livelihood is, in general, still faced with numerous difficulties. It is hoped that in view of the common difficulties now facing the country, with your spirit of self-reliance and with your existing potential, you will be able to develop the glorious tradition of Radio Voice of Vietnam to be always worthy of the vanguard fighters on the cultural and psychological front. This is to help the people throughout the country to gradually achieve the goal of building a prosperous people, powerful country, and an equitable and civilized society.

Thank you, comrades.

Army Lt. General on National Defense Industry

BK0510093594 Hanoi QUAN DOI NHAN DAN in Vietnamese 15 Sep 94 p 3

[Article by Lieutenant General Phan Thu: "Developing the National Defense Industry in the Cause of National Industrialization and Modernization"]

[FBIS Translated Text] At present, our national economy is responsible for ensuring the supply of weapons and military equipment to the armed forces. It also has the responsibility of resolving various pressing issues in the people's daily life, building the nation, and creating bases to enhance the national defense strength. Building and developing the national defense industry to promote production, repair weapons and military equipment, and produce essential logistic materials and equipment for the armed forces are objective requirements in the national defense task. It is a both a pressing and a basic, long-term task.

Our essential tasks in the national defense industry in the years ahead include:

- Ensuring effective technical maintenance of existing weapons and military equipment for use on a long-term basis. To achieve this, we must invest in the industrial production of spare parts to keep the weapons and equipment in good order.
- Stepping up scientific-technological research to develop and modernize the available weapons and military equipment to meet the requirements of a war for national defense (should it occur in the future).
- Making essential investment to build factories manufacturing weapons and military equipment to meet the requirements of our armed forces' combat activities and the requirement for national defense and security in the new situation.

Although our industrial capabilities for national defense are minimal in comparison with our nation's requirements, they are very important capabilities that enable us to repair and produce a number of essential weapons and types of military equipment for the armed forces. They also serve as a basis for building and developing our national defense industry in the days ahead.

Our industrial capabilities for national defense are made up of two components: the first is the current available capability, which is under the management of the Ministries of National Defense and the Interior; the second is the potential capability, which involves the people's livelihood and which can be transformed into serving the national defense industry. This potential capability will step by step become reality through the organization of a working mechanism designed to serve the national defense tasks during peace time and it can be shifted into serving war time tasks if the situation warrants.

The national defense industry is part and parcel of the national industries, with the latter providing a basis for building the national defense industry. As a result, the national defense industry must be developed in parallel with the development of the industrialization and modernization of the national economy. It should be developed to the point that it can be transformed into helping develop the national industries and national economy.

We must take essential measures to integrate and maintain the existing national defense industrial enterprises, invest in the renovation of the industrial chains, rearrange the labor force, quickly apply scientific-technological innovations to repair and production work, contribute to maintaining the technical coefficient of weapons and military equipment at a high level, and enhance the quality of various kinds of weapons produced by our national defense industrial enterprises.

Investment in building and enhancing the potential of the national defense industry must be carefully planned in an economical manner while ensuring optimum results. We must pay special attention to optimally, satisfactorily, and promptly enhancing achievements in industrial-technological development in line with

national industrialization and modernization so as to develop our national defense industry.

Combining economic development with national defense is a pressing demand and the best way of building and promoting our national defense industry. So far, we have not handled this issue in a satisfactory manner. Efforts must be made to ensure that each economic development step creates conditions for further consolidation of our national security and defense capabilities as well as our national defense industry. It does not necessarily mean that a strong economy will lead to firm national security and defense capabilities. Only by closely combining economic development with national defense and vice versa can there be conditions for turning our nation into a rich and powerful country.

For the national defense industry to develop its strength from the national industry, all branches of the industrial sector must incorporate the needs of the national defense industry in their development strategies. It is necessary to use our national scientific potential to meet the building and development needs of the national defense industry. Care must be taken to keep, train, and develop the contingent of cadres and technicians, especially those specializing in the manufacture of national defense-related products. It is necessary to make full use of our country's educational and training facilities to form a contingent of competent cadres for the national defense industry. It is important to work out proper policies to attract, keep, and make good use of that contingent of cadres.

To actively deal with the worst scenario, we must, even in time of peace, make adequate preparations for industrial mobilization preparedness by effecting the transfer of technology to selected civilian enterprises so that they can help with the production and repair of weapons and military equipment in time of war. It is necessary for the state to work out a proper mechanism to closely oversee industrial mobilization preparedness. At the same time, appropriate measures must be taken to encourage civilian industrial establishments to provide support services to the national defense and security system under the market-oriented economic conditions, thereby taking industrial mobilization preparedness to new stages of development and consolidating the capability of producing homemade weapons.

To create a new strength for the national defense industry based on the overall performance of the national economy, we must invest in essential industrial development areas, including the manufacture and repair of national defense-related products, thereby effecting fundamental industrial changes for the better to ensure high quality products to meet the people's demands while at the same time meeting the new requirements of the national defense industry. Besides the manufacture and repair of national defense-related products, national defense enterprises must make every

effort to turn out other products to meet the people's demands and henceforth, contribute to national economic development.

It is the common duty of the entire party, people, and army to help build and develop the national defense industry because this sector plays a particularly important role in the defense of the socialist Fatherland and state. The government directly guides the building and development of the national defense industry; promulgates the necessary legal documents, initial plans, and investment mechanisms in support of the national defense industry; and works out policies to ensure and develop facilities to manufacture and repair national defense-related products.

Only a year remains before the ordnance sector celebrates its 50th founding anniversary. Together with industrial and technological development in the framework of the overall national industrialization and modernization program, the national defense industry in our country is making continued efforts to develop the traditions of the ordnance sector and effect important changes for the better to lay the groundwork for a more vigorous step in development.

*** Lawyer's Articles Discuss New Labor Code**

942E0093 Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 1-3 Aug 94

[Three articles by Lawyer Nguyen Thanh Binh on the new Labor Code]

[1 Aug 94 p 3]

The Labor Code—Basic Principles

[FBIS Translated Text] Labor is man's most important activity as it creates society's material wealth and spiritual value. Labor leading to high productivity, quality, and efficiency is the decisive factor determining the country's development. The Ninth National Assembly, in its 5th session, has passed our country's first Labor Code in order to protect the right to work, interests, and other rights of workers, and at the same time to protect the legitimate rights and interests of labor users; to create favorable conditions for maintaining harmonious and stable labor relations; to contribute to developing the creativity and talent of intellectual and manual workers and labor managers for the purpose of attaining good productivity and quality and social progress in labor, production, and services, and efficiency in the use and management of labor; and to contribute to the country's industrialization and modernization, for the sake of making the people prosperous, the country strong, and society fair and civilized.

1. About the scope of regulation and application of the Labor Code

The Labor Code regulates the labor relations between salaried workers and labor users and the social relationships having to do with the labor relations. By containing

procedures for employment, apprenticeship, labor contracts, wages, work time, break time, labor discipline, material responsibilities, labor safety, labor sanitation, social security for workers, resolving of labor disputes, and so on, it deals with all kinds of relationships that may emerge among workers and labor users and is applicable to all workers, organizations, and individuals using labor in all economic components and forms of ownership.

The policies and procedures set in the Labor Code are also applicable to apprentices; household helpers; workers in foreign-invested businesses; workers of foreign or international agencies and organizations based in Vietnam; and workers from foreign countries who work for Vietnamese businesses, organizations, and individuals within Vietnam's territory.

As for state civil servants, state officials, elected or appointed officials, people serving in the Armed Forces and public security forces, people serving in mass organizations and political and social organizations, and cooperative members—they are the kinds of labor regulated by other legal documents and not by the Labor Code (for instance, people working for officers and soldiers in the army are regulated by the Officers' Law and Military Obligation Law; people working for state civil servants and officials, by the administrative law; members of cooperatives, by the latter's legal sector; and so on). However, because the legal system of our country is far from perfect, many fields and relationships are not fully and totally regulated by the law; therefore, the Labor Code allows the application of some of its articles to different labor objects.

2. Workers, rights, and workers' obligations

First of all, the Labor Code affirms that all people have the right to work; are free to choose their work and occupation, to learn a trade, and to raise their occupational capacity; and are not discriminated against in regard to their sex, ethnic origin, social class, or religion. It prohibits any mistreatment of workers and any form of coercion aimed at them. The state encourages, creates favorable conditions for, and assists in such activities as creating jobs, creating self-employment, teaching and learning a trade in order to have a job, and engaging in job-creating and productive business activities.

Workers are persons of at least 15 years of age, able to do work, and having mutual agreement through labor contracts. They have the following rights and obligations:

They are paid wages based on their agreement with labor users, which cannot be lower than the minimum wages set by the state; have labor protection, under work conditions that ensure labor sanitation; get time off in accordance with the paid-leave system (annual leave, holidays, new year holidays, weekly days off, and so on); and have social security benefits (pension, unemployment allowances, occupational disease allowances, accident, maternity, and other benefits).

Workers have the right to establish and join labor unions in accordance with the Labor Union Law; to get collective welfare benefits; and to participate in business management in accordance with the bylaws of their business and the law.

Workers have the obligation to carry out labor contracts and collective labor agreements, to observe labor discipline and labor bylaws, and to obey legal orders of labor users; they have the right to strike in accordance with the law.

Workers have the right to ask the organs and organizations having the authority to resolve labor disputes to act, and the right to negotiate and to agree with labor users, in accordance with the principle of voluntary and equal cooperation with them in setting up labor relationships and resolving labor dispute issues.

3. Labor users; rights and obligations of labor users

The Labor Code determines that labor users are businesses, agencies, organizations, or individuals. If labor users are individuals, they must be at least 18 years of age and pay wages to the workers they hire. Labor users have the following rights and obligations: They have the right to select workers and use them and assign them work in accordance with the needs of their production and business, to commend workers and to take disciplinary action against workers having violated the labor discipline system, and to negotiate and sign by themselves, or to appoint representatives who will negotiate and sign for them, collective labor agreements in their business or collective labor agreements in their sector; are responsible for cooperating with labor unions in discussing issues related to labor relationships and improvement of workers' material and spiritual living standards; have the obligation to implement labor contracts, collective labor agreements, and other agreements signed with workers, to respect workers' honor and dignity, and to treat workers correctly; and have the right to ask the organs and organizations having the authority to resolve labor disputes to act and, along with workers, to negotiate solutions to labor disputes.

4. A number of principles applicable to labor management by the state

The state has the right and responsibility to execute the state management in regard to labor. The Labor Code affirms a number of important principles to be applied to the task of management by the state.

—The state encourages any agreements that ensure for workers conditions that are more favorable than the labor regulations may proscribe; encourages resolving labor disputes through conciliation and arbitration; manages in a unified manner both manpower and labor by the law and with policies aimed at developing and distributing sources of manpower and developing various forms of using labor and work services; guides workers and labor users toward building harmonious

and stable labor relationships and toward mutual cooperation for business growth; encourages democratic, fair, and civilized labor management in business; and adopts policies allowing workers to buy stocks and contribute capital to the development of business.

The state creates favorable conditions for and ensures the participation of labor unions along with state organs in caring for and protecting the interests of workers, and in controlling and supervising the enforcement of the labor laws.

[2 Aug 94 p. 3]

Procedures for Labor Contracts

[FBIS Translated Text] Labor contracts (LC's) are one of the major items that the Labor Code attaches a great deal of importance to because they serve as the basis for the rights and obligations which bind workers and labor users and from which labor relationships are formed. They represent agreement between workers and labor users in regard to paid work, labor conditions, and the rights and obligations of both sides in labor relationships.

1. Principles of Agreement in LC's

—LC's must contain these major items: work to be done, work time, break time, wages, work location, duration of contract, and conditions regarding labor safety, labor sanitation, and social security for workers. If LC's show that some or all items dealing with the interests of workers are lower than the levels set in labor laws, collective labor agreements, and labor bylaws currently applicable to business (for instance, the wage level is lower than the minimum wages set in the table of wages by the state; the amount of break time is less than what the law specifies, and so on), they must be revised. If the two sides fail to revise their contract after they have received instructions to do so, then the labor inspection organ has the right to order the abolition of these items.

—LC's must be in the form of written documents made in duplicate, with each side getting one copy. However, in order to create favorable conditions for labor users and workers to reach an agreement, the code allows them to agree verbally if the work is temporary, lasts less than three months, and is done within a household (e.g. hiring of a maid, hiring of a helper working in a household, and so on). If the LC agreement is made verbally, the two sides must also fully and correctly comply with the labor laws.

—The LC's mentioned in the Labor Code are divided into three categories:

a. LC's that do not specify any time or duration, and these are commonly called termless LC's.

b. LC's that set a time limit of one to three years. The shortest amount of time the two sides are obligated to honor the contract is one year and the maximum time is three years. Thus it is impossible to have an LC agreement for less than a year as many organs and organizations have had in the past (in reality, some LC's set the time as three months, six months, or nine months, but now the Labor Code eliminates this duration condition).

c. LC's that are based on seasonal work or a specific task lasting less than a year, that is, they involve activities that are not permanent (for instance, LC's that hire workers for a seasonal harvest, to do seasonal productive and processing work, or to do some repair or work involving the use of machinery taking place over a short time, meaning the LC's are terminated when the work is done, and so on). The Labor Code prohibits LC agreements in this category for any work that is more permanent and lasts a year or more, except in the case of LC's that are for replacing people who leave to fulfill their military obligation, take leave under the pregnancy-childbirth guidelines, or quit their job on a temporary basis.

—About the ways to achieve LC agreement: Agreement can be made directly between workers and labor users, or between labor users and persons having proxy rights to represent groups of workers. In order to expand the capabilities of workers, the Labor Code allows workers to reach agreement in one or many LC's with one or many labor users, but they must ensure that they fully carry out these LC's as they have agreed.

2. Implementation of LC's

From the legal standpoint, when LC's begin to take effect, the sides concerned are responsible for fully and correctly carrying out the items they contain.

—In the course of implementing LC's, if one side needs to change any item in an LC, it must notify the other side at least three days in advance. The two sides discuss and negotiate the change or revision of the LC they have agreed to, or draft a new LC to replace the one they have agreed to.

—Workers must do the work they have agreed to in the LC and cannot let other people do it for them without the consent of labor users.

—If there occurs a merging or division of businesses, a transfer of ownership, management, or rights of use having to do with business properties, the next labor users must be responsible for continuing the implementation of LC's until they expire or until new LC's are drafted to replace them.

—If LC's specify doing work on a trial basis, then the wages of workers in this trial period must be at least 70 percent of the wage level set for this work, with the trial period not exceeding 30 days for normal workers and 60 days for workers at highly specialized or

technical levels. During this trial period, each side has the right to abolish the agreement on doing trial work without advance notification and without penalty if the work fails to get the results that the two sides have agreed to. If the trial work brings about such results, labor users must accept trial workers for doing regular work.

—When they are faced with unexpected difficulties created by production and business needs, labor users have the right to temporarily transfer workers to other work which unrelated to their normal occupation, but this transfer cannot last for more than 60 days in a year. When they must switch workers to other work, labor users must notify them of it at least three days in advance, clearly state the duration of transfer, and make sure the new work is compatible with workers' health and sex. On the other hand, labor users must pay workers in accordance with the new work (if the new work is set at a higher wage level); and if the new work is set at a lower wage level than the previous work, workers are allowed to keep their previous wages for at least 30 days, and then to get at least 70 percent of the previous wages, which cannot be lower than the minimum wages set by the state for this work.

3. Terminating LC's

Terminating LC's can be achieved in a manifest manner, can be mutually agreed to by both sides, or can be unilaterally carried out on the basis of the law.

—LC's are manifestly terminated when they expire, when the work specified in them has been completed, when the two sides agree to their termination, when workers are sentenced to prison terms or are forbidden by the court to do the old work, when workers die, or when the court declares they are missing.

—Workers have the right to unilaterally terminate LC's (before LC's expire, labor users do not have the right to give consent) under these circumstances:

a. Labor users do not give workers the right work and the right location, and fail to ensure the work conditions as the two sides have agreed to in LC's.

b. Labor users do not pay full wages, or do not pay within the time specified in LC's.

c. Workers are maltreated or assigned forced-labor type of work.

d. Workers or their families encounter difficulties that prevent workers from continuing to carry out LC's.

e. Workers are elected to hold specialized positions in elected organs or are nominated to hold positions in the state apparatus.

f. Female workers who are pregnant follow doctors' orders to stop working.

When workers unilaterally terminate LC's before their expiration, they must notify labor users in advance.

—Labor users have the right to unilaterally terminate LC's under these circumstances:

- a. They are forced to limit production and to cut work positions.
- b. Their business ceases to operate.
- c. Workers regularly fail to fulfill their task specified in LC's.
- d. Workers are fired as the result of disciplinary action.
- e. Workers are sick and under medical treatment for 12 consecutive months, in the case LC's do not specify employment time limits; for 6 consecutive months, in the case LC's do specify employment time limits; or for more than one-half of the employment time limits, which LC's specify as less than a year.

When labor users unilaterally terminate LC's before their expiration, they must notify workers in advance. Except for the cases of ceasing business operations and being forced to limit production, when labor users unilaterally terminate LC's, they must discuss the matter with labor unions. If there is no unanimity in the discussion, labor users must notify the labor organ concerned and 30 days afterward are allowed to terminate LC's while labor unions and workers have the right to propose that the organs concerned resolve the labor dispute. In order to protect workers' interests, the Labor Code does not allow labor users to unilaterally terminate LC's if workers are sick, are receiving medical treatment, or are convalescing under doctors' orders as the result of a labor or occupational accident; workers are taking annual leave, leave for personal reasons, or other leave with the consent of labor users; and female workers are taking leave for getting married or are on pregnancy-childbirth leave.

If workers or labor users unilaterally terminate LC's, the latter must fulfill their obligations toward the former in accordance with labor laws.

[3 Aug 94 p. 3]

Wage Procedures, Break and Leave Procedures for Workers

[FBIS Translated Text] The rights of workers to be paid wages and to have breaks and vacation time are basic rights stated in the 1992 Constitution. The Labor Code sets the procedures for wages, breaks, and vacation time in a very strict and thorough manner.

1. Procedures for wages

—The general principle is that workers' wages are agreed to by workers and labor users in LC's and are paid in accordance with labor productivity, quality, and efficiency, but workers' wages cannot be lower than the

level of minimum wages set by the state for the type and level of work to be performed by workers.

—Labor users have the right to choose to pay wages on the basis of time (hourly, daily, weekly, or monthly), products, or piecemeal assignments but must comply with the following procedures:

- a. Workers who work on an hourly, daily, or weekly basis are paid after the hours, day, or week that they have worked or are paid all at once according to their agreement with labor users, but must be paid at least once every 15 days.
- b. Workers who work on a monthly basis are paid once a month or once every half a month.
- c. Workers who work on the basis of products or piecemeal assignments are paid in accordance with the agreement of all sides, but if the work is to last several months, they are paid monthly advances based on the amount of work performed in the month.

—Workers get direct and full payment of wages within the time specified and at the place of their work. If for any reasons labor users pay wages late, the payment cannot be later than a month and in this case a compensation, being at least equal to the interest paid by banks, must be given to workers. Wages are paid in cash; if they are paid by check, there must be agreement between the two sides, provided no damage or inconvenience is caused for workers. *The Labor Code specifically prohibits the cutting of wages as a form of punishment by labor users against workers.*

—When workers work overtime, they are paid at least 150 percent of the hourly wages if they perform overtime work on weekdays and at least 200 percent of the hourly wages if they work overtime on holidays and weekends. If they work overtime at night, the same overtime rates are added in a supplemental payment equal to at least 30 percent of the hourly wages.

—If work is stopped due to the labor users' fault, then workers get full payment of wages, but if the stoppage is due to the workers' fault, then workers get no payment. If for any other reasons (for instance, loss of power or water supply, technical trouble, and so on), which are not due to labor users' fault, payment of wages depends on agreement between the two sides, but payment cannot be lower than the minimum wage.

2. Work time

The work time set for our country's workers cannot be the same as that in the developed countries, but it cannot be longer than the common one observed in the world. The Labor Code sets the work time for our workers at no longer than 8 hours per day, or not in excess of 48 hours per week. Labor users have the right to set the daily or weekly work time but must notify workers in advance.

As to the work that is classified by the state as particularly hard, harmful, and dangerous, the work time is reduced by from 1 to 2 hours per day (as determined by the Ministries of Public Health and Labor). Labor users and workers are allowed to agree on the amount of overtime, which cannot exceed 4 hours per day and 200 hours per year.

3. Break and leave time

Workers need specific rest time to restore their working capacity and to maintain their health. The Labor Code states:

—Workers who work eight consecutive hours can have a half-hour break counted in their work time. Those who work the night shift can have a midshift break of at least 45 minutes counted in their work time. And those who work by shift can have at least a 12-hour rest period before being transferred to another shift.

Workers can have at least one day off (24 consecutive hours) per week set by labor users on Sunday or any weekday on a regular basis. If the labor cycle prevents them from setting days off on a weekly basis, labor users must let workers be off an average of four days per month.

—Workers get the following paid holidays: 1 day on New Year's day, 1 January; 4 days for the lunar new year,

Tet, celebration (the last day of the old lunar year and 3 days of the new lunar year); 1 day on Victory Day, 30 April; 1 day on May Day, 1 May; and 1 day on National Day, 2 September. *What is new is the fact that if the above-mentioned holidays fall on workers' regular weekly days off, they will take the following day(s) off as their official holidays (in the past they used to get no compensatory days off for official holidays).*

—Workers have 12 days of annual leave (after having worked 12 months) if they do normal work; 14 days if they do hard, harmful, and dangerous work; and 16 days if they do extremely hard, harmful, and dangerous work. The time needed to travel does not count in annual leave (the Labor Code leaves this to the government to decide).

—Workers get these paid days off for personal reasons: three days for marriage, one day for a child's wedding, and three days for death in the family (parents, spouses, and children).

Organizations and individuals using labor and workers need to understand thoroughly the regulations on wages, work time, and break and leave time so as to comply with them correctly and to check one another in their compliance.

Australia**Mining Firm Bids for Joint Venture With Cuba**

*BK0510085494 Sydney THE BULLETIN in English
4 Oct 94 p 90*

[FBIS Transcribed Text] Fresh from tying up a \$7.5 billion [Australian dollars] venture with Aluminum Co. of America to produce 25 percent of the world's alumina, Western Mining Corporation Holdings [WMC] has sailed into the Caribbean to form a joint venture which may eventually make it the world's second-largest nickel producer.

For WMC, the deal with Cuba's stateowned Commercial Caribbean Nickel SA, presents the dual challenge of proving it can make it in the international mining league and dealing with a type of ore in which it has little experience.

While nickel has long been a staple product of WMC in Australia, its mines are all sulfide deposits, whereas the Cuban project, Pinares de Mayari West, is lateritic. Lateritic nickel deposits require significantly different—and costlier—treatment methods.

On the face of it, an alliance between Fidel Castro's communist state and WMC, run by Hugh Morgan whose political tastes are at the opposite end of the spectrum, seems an odd one.

Agreement: The Cuban government, however, has been widely encouraging foreign investment since the collapse of the old Soviet Union in 1991 ended the financial subsidies which had sustained the existing regime. In mid-September Britain's trade and technology minister, Ian Taylor, signed an investment agreement with Cuba at the end of a three-day visit to the island—the first by a British government minister in 20 years. And in June, the Canadian group Sherritt Inc teamed up with La Compania General de Niquel SA on another joint venture to mine, refine, and market nickel and a byproduct, cobalt.

Such deals, and the one now signed with WMC, are Cuba's way of getting around the painful economic embargo maintained by its neighbor, the United States, perched only 250 km across the Straits of Florida from the Cuban capital of Havana.

The U.S. has recently been flooded with rafts full of Cuban refugees, fleeing the poverty thrust upon them by the choking off of Soviet funds. Washington has tried to open talks with Cuba to stem the flood, but Castro is hoping to use the talks as a lever to lift the U.S. embargo. So the auguries may favor a policy change and WMC may be getting in early.

And, as one stockbroking analyst put it last week, "If you are going to be a serious player in things like nickel, you have got to be in Cuba" because the island contains around 12 percent of the world's nickel reserves. Cuban

production, of more than 60,000 tonnes of nickel a year, was heavily subsidized by the Soviets.

A WMC spokesman said the company had been working for two years on getting into Cuba as part of the group's global strategy to be a world-class player in strategic metals. WMC's director of finance and administration, Don Morley, is still in Cuba finalizing the deal.

Nickel, a primary ingredient in the making of alloys for stainless steel, has been out of favor during the recession in world economies, but demand is rising. The latest forecasts from the Australian Bureau of Agricultural and Resource Economics, ABARE, are for 4 percent growth in consumption during calendar 1994 and 6 percent in 1995. Prices have recovered from the depths plumbed in recent years and ABARE estimates they will average US\$2.80 a pound in 1994-95, or 18 percent higher than 1993-94 levels. More bullish market players are looking for an average of US\$3.20 a pound, with the price possibly hitting US\$4.

The only cloud on the horizon remains, as with so many commodities, the level of exports from the Commonwealth of Independent States, CIS. Russia's Norilsk Nickel Combine, which produces around 110,000 tonnes of nickel in concentrate a year, has indicated it plans to increase exports. Some analysts doubt its capacity to do so, however, because production may be affected by a lack of cash to purchase supplies for the mines.

Even with Cuba struggling, a significant increase in world output is expected during 1995, some of which will come from WMC itself as its Mt. Keith mine in Western Australia comes into production. WMC has been engaged in a five-year, \$800 million program to expand nickel production from a little over 35,000 tonnes in 1989 to an expected 93,000 tonnes when Mt. Keith is fully operational. That alone would earn it second ranking in world terms, after the Canadian giant Inco, but any decision to commit to mining the Cuban deposit would guarantee it. Of course, market share is not the only measure, and the prospect will have to be economic.

Feasibility: Under the terms of the Cuban deal, WMC is earning a 65 percent interest by taking command of the Pinares project, located in the south-eastern province of Holguin near shipping facilities, and will prove up the resource through drilling and metallurgical work, to determine the best extraction methods, before moving to preparing a feasibility study on mining.

The resource is estimated to contain 200 million tonnes of ore, grading 1 percent nickel and 0.1 percent cobalt, available for mining as an open pit. That compares with 132 million tonnes at Mt. Keith grading 0.6 percent nickel, although the Cuban lateritic deposit is expected to be considerably more costly to mine.

Nothing has been said about whether WMC and its partner will use available refining capacity in Cuba or

ship the nickel elsewhere for treatment. Some Mt. Keith ore, for example, will be shipped all the way to Finland.

Financing any mining project will also be WMC's responsibility, although that is hardly surprising given Cuba's financial straits. The cost has been estimated at between US\$400 million and US\$500 million if the partners go ahead.

Papua New Guinea

Prime Minister Optimistic Over Peace Settlement

*BK0510085994 Melbourne Radio Australia in English
0630 GMT 5 Oct 94*

[From "International Report" program]

[FBIS Transcribed Text] Papua New Guinea's [PNG] prime minister, Sir Julius Chan, is already making plans for a peace settlement ceremony that he hopes will follow next week's Bougainville peace conference, bringing the six-year old secessionist war to an end. But as Sean Dorney reports, others, including the military commander of the Bougainville Revolutionary Army [BRA], Sam Kauona, do not share Sir Julius Chan's optimism.

[Begin recording] [Dorney] Troops from Fiji, Tonga, and Vanuatu are on their way from a brief training stint in Townsville to Bougainville where they are to make up the bulk of the [word indistinct] peace force, providing security for the Bougainville peace conference and guaranteeing the safety of participants.

In a nationally televised address last night, PNG Prime Minister Sir Julius Chan was more than upbeat about the prospects for success.

[Chan] The peacekeeping force, with the backing of the United Nations, with the UN secretary general Dr. Butrus Butrus-Ghali expressing his appreciation and support of the peacekeeping force in this [word indistinct]. The force will be deployed on Bougainville in advance of the peace conference to take place next Monday, 10 October. A timetable for the conference is underway and the peace settlement will take place on Sunday 16 October.

[Dorney] This announcement of the peace settlement ceremony to be held six days after the beginning of the peace conference which has not even started yet, does seem a little premature. The military commander of the BRA, Sam Kauona, who is still in the Solomon Islands capital, Honiara, is talking about boycotting the conference.

In a statement released in Honiara, Kauona accused Sir Julius of jeopardising the prospects for lasting peace by engaging in brinksmanship.

Sir Julius is under fire at home, too, from the opposition who just over a month ago were his colleagues in government. Masket Iangalio, the shadow finance minister, attacked the deployment of foreign troops on PNG's soil.

[Iangalio] There is a [word indistinct] of our national sovereignty. [words indistinct] foreign troops in our soil are you saying that we acknowledge that Bougainville is not part of PNG and should be allowed to follow the path of an independence under the protection of foreign forces?

[Dorney] Mr. Iangalio claims Sir Julius was creating grounds for insurrection by snubbing PNG's own security forces. However, Sir Julius Chan believes he has won over much of Bougainville to his peace cause.

[Chan] The message I told them is simple. There are two roads we can follow; one is full of stones and rocks, a road leading to the gutter. The second is the road to reconciliation and peace.

[Dorney] Sir Julius Chan, pushing ahead with the South Pacific's first ever regional peace force despite some real obstacles. [end recording]

Kina To Be Floated To End Erosion of Reserves

*BK0410085894 Melbourne Radio Australia in English
0500 GMT 4 Oct 94*

[FBIS Transcribed Text] Papua New Guinea's is to float its currency, the kina. Sean Dorney reports from Port Moresby that the surprised decision is a dramatic move by Sir Julius Chan's government to end speculation against the kina which has been whittling away the country's foreign reserves.

[Begin recording] [Dorney] The speculation was not halted by last month's 12 percent devaluation of the kina. The drain on PNG's foreign reserves continued and the prime minister, Sir Julius Chan, said he was called to a crisis meeting in the early hours of this morning attended by senior finance officials and the new governor of the Reserve Bank.

[Chan] The options that were put to me were very limited and I have to make a decision to put the kina on float, simply meaning it will have to be related to the market forces.

[Dorney] The kina will be floated next Monday, 10 October. In the meantime, there will be a virtual freeze on major foreign exchange transactions. [end recording]

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.